

### Nearly 500,000 animals sacrificed at Haj

RIYADH (R) — Nearly half a million sheep, cattle and camels were sacrificed during this year's annual Haj pilgrimage in Saudi Arabia, an official said on Tuesday. The official Saudi Press Agency quoted Islamic Development Bank President Ahmad Ben Mohammad Ali as saying that the 1.7 million pilgrims attending the Haj had sacrificed 464,614 sheep and 9,076 cows and camels. The bank is the main body in charge of the sacrifice, a ritual under which Muslim pilgrims slaughter animals and donate their meat to the needy in Islamic countries. The agency said most of the meat was frozen, packed and shipped to countries in Africa and Asia. Some 700,000 sheep and 20,000 cattle were sacrificed at last year's pilgrimage. This year's Haj officially ended on Monday.

# Jordan Times

An independent Arab political daily published by the Jordan Press Foundation  
جوردان تايمز يومية سياسية مستقلة تصدر عن المؤسسة الصحفية الأردنية، الراي

### King expresses concern over Serb actions

AMMAN (J.T.) — His Majesty King Abdullah on Tuesday expressed his concern over and condemnation of the reported Serb actions, including ethnic cleansing, killing and displacement, against Kosovo Albanians, a Royal Court spokesman said. King Abdullah instructed the government to send humanitarian and medical assistance to the victims. To express the Kingdom's condemnation of the Serbian actions, Jordan has recalled its chargé d'affaires in Belgrade.

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### NATO campaign boosts U.S. defence industry

NEW YORK (AFP) — NATO's nearly week-old air assault on Yugoslavia has generally boosted share prices of U.S. defence companies. Shares of Raytheon have risen almost three per cent in the week, eclipsing the pace of the overall Dow Jones Industrial Average, which has gone up 2.5 per cent in the same period. The Massachusetts-based company produces the Tomahawk missile at a price of \$750,000. United Technologies, another high-tech firm, has gained 3.4 per cent since the start of the conflict, notably in recent days amid calls in some quarters for the deployment of ground troops in the mainly Albanian province of Kosovo.

### British court rejects anti-terrorism law

LONDON (AFP) — Britain's High Court on Tuesday rejected a key plank of new anti-terrorism laws introduced by the government, calling it a "blatant and obvious" attack on the rights of the accused. The article in question allows a terrorism suspect to incriminate himself by failing to prove his innocence, thereby losing the traditional presumption of innocence until proven guilty. The new law was a "blatant and flagrant violation of the 'presumed innocent' rule," the court said in its ruling, adding that the law change would contravene the European Convention on Human Rights.

### Second Salvadoran sentenced to death in Cuba

HAVANA (AFP) — A Cuban court has sentenced Ono Rene Rodriguez Llerena to death, making him the second Salvadoran to face capital punishment in Cuba, diplomatic sources told AFP here Tuesday. Rodriguez Llerena, 40, was on trial for committing acts of terrorism. He had confessed to planting a bomb in the Melia-Cohiba Hotel on August 4, 1997, and to transporting two additional bombs to Havana where he was captured. Ernesto Cruz Leon, 27, another Salvadoran, faces death by firing squad for six Havana bombings.

### EU approves BT-AT&T alliance

BRUSSELS (AFP) — The European Commission gave approval on Tuesday for an alliance between British Telecom (BT) and the U.S. telecommunications company AT&T. A Commission spokesman said that approval was conditional on some requirements concerning the British market. The U.S. Department of Justice and the Federal Communications Commission must also give their assent. Both companies greeted the decision. A joint venture with a \$10-billion turnover is to be created with the ambition of becoming the leading world telecommunications operation, concentrating on multinational business clients, data transfer and the Internet.

### Indians kill two Pakistani soldiers

NEW DELHI (AFP) — Indian troops killed two Pakistani soldiers Tuesday while resisting an attempt to capture a strategic post on the Siachen glacier in the disputed Kashmir region, officials said. The Indian troops opened fire after observing a group of Pakistani soldiers moving towards the Indian post on the 7,370-metre high glacier, domestic news agencies reported. "Two Pakistani soldiers were killed in the shootout," a military official was quoted as saying.

## NATO rejects Milosevic overture to end air strikes against Yugoslavia

### UNHCR accuses Serb forces of carrying out 'ethnic cleansing'

BELGRADE (R) — Yugoslav President Slobodan Milosevic held out the prospect of an end to fighting in Kosovo on Tuesday, but NATO said it wanted "action, not words" before calling off its bomb and missile offensive.

Speaking on Yugoslav state television after emergency talks with Russian Prime Minister Yevgeny Primakov, Milosevic said he would be prepared to withdraw some forces from Kosovo and allow the free return of refugees if NATO ended air strikes.

But NATO leaders immediately rejected the overture. U.S. President Bill Clinton said NATO allies were "united in our outrage" over what he called Serb atrocities in Kosovo.

"We are determined to stay with our policy," he said.

"The proposals brought by Prime Minister Primakov are no basis for a political settlement," echoed Chancellor Gerhard Schröder after meeting Primakov, who flew from Belgrade to Bonn to brief the German leader on his meeting with Milosevic.

"It's action, not words, that counts. He knows what he has to do," said a spokesman for British Prime Minister Tony Blair. Milosevic said the allied



Serbs attack the U.S. embassy in Belgrade on Tuesday as NATO continued air strikes against Yugoslavia. Massive protests were held in Belgrade and other capitals against the NATO allies, and all of the alliance's embassies in the Yugoslav capital were stoned (AP photo)

air offensive risked a new explosion in the Balkans. He said the Serb nation had shown, by its "heroic defence" against NATO, that it could not be broken by force. Primakov was upbeat

when he talked to reporters at Cologne/Bonn airport before meeting.

"Generally it's a good start," Primakov said. "He [Milosevic] is ready to be constructive. If the bombing stops he is ready to reduce

his military presence in the region," he told reporters through an interpreter.

But as the diplomatic shuttle unfolded, a steady flow of warplanes continued to fly out of the Aviano airbase in northeastern Italy

on Tuesday.

NATO said air strikes against Yugoslavia were proceeding around the clock and would be intensified further in coming days.

(Continued on page 7)

## U.N. panel advises 'more intrusive' Iraq inspections

UNITED NATIONS (R) — A key 20-member panel on Iraqi arms concluded that intrusive inspections were needed under a restructured U.N. Special Commission (UNSCOM) to account for Baghdad's remaining weapons of mass destruction.

But the panel's report, given to Secretary General Kofi Annan on Monday, proposed no inducement for Iraq to allow any U.N. weapons inspectors back in the country. They left after mid-December U.S.-British bombing raids.

"It is in the hands of the Security Council to devise ways of ensuring that Iraq accepts such monitoring and verification," the panel wrote.

The report, requested by the Security Council, is an attempt to provide a basis for formulating a policy towards Iraq that its divided 15 members could accept. The panel included arms experts and government officials.

It recommended disarmament procedures carried out in the past could be combined with a monitoring system, which would be "if anything more intrusive than the one so far practised."

Conched in opaque diplomatic language, the report says data on Iraq's dangerous weapons is largely but not totally complete, thereby allowing the United States and Britain to maintain stringent U.N. sanctions.

Security Council resolutions link any removal of sanctions to a clean bill of health on its nuclear, ballistic missile, chemical and biological weapons programmes.

But the report also opens the door for countries sympathetic to Iraq, like Russia, France and China, to move against UNSCOM, currently in charge of Iraqi disarmament, which they want abolished or radically changed.

It says UNSCOM's composition could possibly include technical experts as well as U.N. secretariat delegates, diplomats, and representatives from The Hague-based Organisation for the Prohibition of Chemical Weapons (OPCW).

Some arms experts believe such a structure, which Russia proposed in January, would politicise UNSCOM further.

In an apparent reference to alleged espionage by the United States, the panel says inspections "should not be used for purposes other than the ones set forth" by the council.

Scott Ritter, a former U.N. inspector, has charged that Washington used UNSCOM to obtain information on how Iraqi President Saddam Hussein could be removed rather than where he might have hidden the dangerous weapons.

(Continued on page 7)

## Arab Israelis, Palestinians hold Land Day protest against Israel land grabs

SAKHIN (AFP) — Thousands of Arab Israelis and Palestinians in the West Bank and Gaza Strip held their annual Land Day protest Tuesday against the confiscation of Arab property by Israel.

But the violence which often marks the rallies was largely absent and the festival of 'Eid Al Adha appeared to have kept many people away from the demonstrations.

Land Day is held every March 30 to mark the killing of six Israeli Arabs by soldiers in a series of protests in 1976 over the confiscation of land from Arab communities in northern Israel.

Three of the dead came from Sakhin in the Galilee, where around 10,000 demonstrators turned out Tuesday in a carnival atmosphere that included a marching band and some energetic campaigning for Arab candidates standing in the May 17 Israeli general elections.

All political factions were represented, with the crowd

waving a colourful blend of green Islamic banners, red pennants for the communists and the red, green, white and black Palestinian flag.

"This is a peaceful demonstration and our main demand is for an extension of the boundaries of Arab municipalities," said Ali Shahawani, one of the rally's organisers.

Shahawani complained that Arab towns lacked room to expand because Israeli authorities barred construction on adjacent plots which had been declared "state lands."

A large force of Israeli police deployed on the outskirts of Sakhin, but kept their distance from the rally, which was also attended by a few Israeli peace activists.

Palestinians also held Land Day demonstrations in the West Bank and Gaza Strip, but only one incident of violence was reported in the village of Beit Omra near Hebron.

About 30 youths, some with their faces masked, burned tires and threw

stones at Israeli soldiers, who responded with volleys of tear gas and rubber-coated metal bullets, witnesses said.

No injuries were reported. In the Gaza Strip, about 500 supporters of the leftist Democratic Front for the Liberation of Palestine protested outside the Gush Katif bloc of Jewish settlements, a flashpoint for clashes with Israeli troops.

Palestinians have been angered by alleged attempts by the settlers to expand their enclave in the southern Gaza Strip. But Thursday's rally passed off peacefully.

Elsewhere in the Palestinian territories, shopowners observed a symbolic one-hour strike in the morning for Land Day.

Organisers of the annual event said this year's commemoration was unusually subdued partly because it coincided with the religious festival of 'Eid Al Adha, or feast of the sacrifice, which was in its fourth and last day.

They said the upcoming elections also contributed to

calming Land Day events inside Israel, where Arabs make up nearly a sixth of the population of six million.

In Sakhin, many demonstrators carried banners and wore sweatshirts emblazoned with the portrait of Azzam Bishara, the first Arab to run for Israeli prime minister.

Israeli security officials had feared violence this year after a flare-up over an army attempt to confiscate land near the Arab Israeli town of Um Al Fahm for use as a firing range.

In September, more than 120 people were injured in two days of running battles between Um Al Fahm residents and Israeli police over the dispute.

But the government has since been negotiating with local Arab leaders and both sides said a compromise was near.

Israel's Arab minority has had vast tracts of its land confiscated for military use or the development of Jewish towns since the creation of Israel in 1948.

## Iraq possesses no weapons of mass destruction — Ritter



Scott Ritter

Ritter said it was time for the U.N. Security Council to lift the economic sanctions linked to disarmament that have been in force since Iraq's 1990 invasion of Kuwait.

But a system of long-term monitoring of Iraqi weapons programmes, rather than inspections, should remain in place.

Ritter went on to warn in September that Baghdad still possessed most of the elements needed to build three nuclear bombs, although it lacked the enriched uranium.

But in Al Hayat, he said the nuclear programme had been "destroyed and dismantled," the same as Iraq's long-range missiles.

"What's left in Iraq? Nothing but seeds which can be planted and cultivated. They have scientists and the know-how which they could decide to reactivate if they are given the freedom," he said.

The meeting discussed the general budget, the final accounts and the Board of Directors report.

he said.

Ritter renewed his charges that the United States tried to transform U.N. arms inspections into a "spying operation" aimed at toppling Iraqi President Saddam Hussein.

"But it's an impossible dream," said Ritter, whom Baghdad often accused of spying for Washington.

A U.N. panel, in a new report to the Security Council, has called for a revamped and "more intrusive" system of long-term monitoring that would include inspections (see separate story).

Iraq vowed after U.S. and British air strikes in December launched to punish Baghdad for its reported failure to cooperate fully with U.N. inspectors — that the inspectors would never be allowed to return.

## Arab Bank presents budget, final account

AMMAN — The Arab Bank Shareholders General Assembly held its 69th meeting at the Bank's Head Office Building in Amman on Friday under the Chairmanship of Mr. Abdul Majeed Shoman, Chairman of the Board, and in the presence of the Companies Controller at the Ministry of Industry together with Arab Bank shareholders from various Arab countries. The meeting discussed the



general budget, the final accounts and the Board of Directors report.



## Jerusalem's patriarch calls for peace in Easter message

OCCUPIED JERUSALEM (AP) — Turbulent Middle Eastern politics threaten to dampen the spirituality of the upcoming Millennium year, the top Roman Catholic cleric in the region said Tuesday in his annual Easter message.

But Latin Patriarch Michel Sabbah also said the Easter season was a time for the "quest of peace among fears, hesitations and various forms of oppression or injustices."

Sabbah, who is Palestinian, said the troubled political atmosphere might prevent Pope John Paul II from visiting the region in the year 2000.

"The Pope does not want to be a new element of tension," Sabbah said. "He wants to be an element of reconciliation."

Israel has been pushing for a

papal trip to boost Millennium celebrations, and the pontiff has expressed a keen desire to visit.

But his presence would be extremely sensitive, especially in light of Jerusalem's troubled status. Both Israel and the Palestinians claim the city as their capital.

Last week, Israel's Tourism Minister Moshe Katsav caused a stir by announcing that the Pope would visit, but Vatican officials quickly countered that no trip had been set. Sabbah, a frequent critic of Israeli policies toward the Palestinians, referred to Israel's May 17 balloting, which is seen as a referendum on Prime Minister Benjamin Netanyahu's hard-line stance on the peace process.

"Can the coming elections give leaders strong enough, wise enough, open enough to guarantee security to the Israelis and complete freedom to the Palestinians?" Sabbah asked.

Echoing the position taken by the Vatican, Sabbah expressed hopes for a peaceful resolution of the conflict in Yugoslavia, where NATO has been staging air attacks against Serb targets in an effort to protect ethnic Albanians in the breakaway province of Kosovo.

"I do not approve of any war or any bombing, neither in Kosovo nor in Iraq, nor in any part of the world. War is war, that means killing," Sabbah said, "to put an end to war we need negotiations, peace (and) patience."

## SPLA claim 83 soldiers killed

CAIRO (AP) — Sudanese rebels claimed Tuesday they have advanced toward a major oil field in southern Sudan after killing 83 government soldiers and wounding 200 others.

The Sudan People's Liberation Army fighters are eight kilometers from the Adar-Yiel site, the second largest oil drilling site in Sudan, SPLA spokesman Yasser Arman told the Associated Press.

Sudanese government or military officials were not immediately available for comment.

Arman, reached by telephone in his office in Asmara, Eritrea, said the SPLA is urging a Chinese and a Malaysian company working in the area to evacuate the sites because fighting could spread.

"Foreign companies should evacuate the area until a democratic government takes power and exploits the resources of our country for the interest of the Sudanese people," Arman said in a separate statement faxed to the AP in Cairo.

The SPLA has been fighting the Arab, Muslim government forces for the last 15 years for more autonomy for the predominantly Christian and animist south. About 1.9 million people have died in the war and related famines caused by food and medical supplies being held up by the fighting.

Arman said SPLA forces repulsed a government attack on Friday and Saturday near the city of Ulu to advance toward the oil field. The guerrillas also lifted a government siege on Ulu, he said.

Ulu, 500 kilometers southeast of the Sudanese capital, Khartoum, is a major gateway to the oil field, he said.

Arman claimed 22 army battalions took part in the fighting that left 83 soldiers dead and 200 others wounded. Arman also claimed that the SPLA destroyed two Russian-made T-55 tanks and captured two others. He gave no figures for SPLA casualties.

Sudan, the largest country in Africa and one of the poorest, currently produces between 18,000 barrels and 20,000 barrels of oil a day. It imports up to 40,000 barrels a day to meet domestic needs, or \$400 million worth every year.

The American oil company, Chevron, worked in the country until the early 1990s when it abandoned its concessions because of the insurgency in southern Sudan.



Arab Israelis pray on their land before a manifestation Tuesday, on Land Day in Mu'awiya (100 kms north of Tel Aviv) against land confiscation by the Israeli army of this land located next to the Sakhnin village. Land Day is observed annually in memory of Arabs that were killed by Israeli police in the Sakhnin village over a land dispute in 1976 (AFP photo)

## Ethiopia says Eritrea lost 3,400 troops

ADDIS ABABA (AFP) — The Ethiopian government on Tuesday said that more than 3,400 Eritrean soldiers were killed, wounded or captured on the western Merib river front of their border war on Monday.

The regime in Asmara had deployed five Eritrean brigades and incurred those losses, while "Ethiopian defence forces destroyed one ZU-23 anti-aircraft weapon and eight tanks and captured one," according to a statement from the government spokeswoman's office.

"The Eritrean military is seeking to retake Badme with the objective of restoring the wounded pride of President Issaias [Afewerki]," the statement added.

The town of Badme on the disputed border was seized by Eritrean troops when armed clashes broke out in May last year, but taken back when heavy fighting flared up in

February after a seven-month lull.

When Badme fell, President Afewerki informed the U.N. Security Council at the end of February that Eritrea was ready to accept a peace plan drawn up by the Organisation of African Unity (OAU).

However, fighting has since continued, together with a propaganda war between Ethiopia and its former province along the Red Sea, which became fully independent in May 1993.

The head of operations and information in Ethiopia's defence ministry, Brigadier-General Abdullahi Gemedo, said "the Ethiopian army has beleaguered and weakened enemy garrisons on the Zala Anbesa-Egala [central] front," according to Tuesday's Ethiopian Herald.

Gemedo also stated that "the Ethiopian army has successfully prevented the movement of

enemy forces from one war front to another," the government daily added.

The comments were among the first from a top Ethiopian military leader since the conflict resumed in earnest on Feb. 6, apart from television broadcasts by Prime Minister Meles Zenawi and rare and brief appearances by Brigadier-General Samuira Yenus, who was involved in the recapture of Badme at the end of last month.

On Monday, Addis Ababa said its troops had driven back two Eritrean offensives on the western front and reported heavy artillery shelling by Asmara's gunners on the central front.

Eritrea denied launching attacks on either front and said in a statement received in Nairobi that Ethiopia was making unfounded charges before mounting assaults of its own.

## 'Islamists killed U.S. worker'

NAIROBI (AFP) — A top official of a Somali aid organisation on Tuesday accused the armed Islamist group Al Itihad Al-Islam of killing U.S. relief worker Deena Marie Umbarger on March 20.

The assassination was carried out by Al Itihad gunman Ahmed Kabaweyne, said Ahmed Hussein, the programme manager of the Somali Community Service (SCS), a non-governmental organisation based in Kenya.

Hussein was in Umbarger's company when she was

shot dead in the Kiamboni area of southern Somalia.

"He (Kabaweyne) entered the restaurant where people seated on a big mat to eat and discuss work plans and opened fire on Umbarger at point-blank range, after which terrified elders jumped to their feet to catch her attacker," Hussein told AFP.

But three other gunmen, including one known as Abdulmalik, came to Kabaweyne's rescue, firing in the air to scare away people outraged by the shooting.

Umbarger worked for the United Methodist Committee United on Relief (UMCOR).

She was pronounced dead on arrival at Kiunga Health Centre in Kenya's Indian Ocean coast, where her Somali colleagues drove her after the attack.

"The chaos which followed the shooting gave us the opportunity to take the wounded lady to hospital," said Hussein.

"Deena was crying as we approached Kenya, but she later fell silent," he added.

## 'General convicted of sexual harassment can get higher post'

TEL AVIV (AP) — An army general whose promotion was blocked by Israel's supreme court because of sexual misconduct, can be moved to a higher post despite the ruling, the court said in its decision published Monday.

On Thursday, the court issued a one-sentence ruling, which said that Brig. Gen. Nir Galili could not be promoted to the rank of major general because of an improper sexual relationship he had with a subordinate.

The landmark case "was hailed by women and legal experts in the struggle to prevent sexual exploitation of female soldiers, who in Israel are conscripted at the age of 18 for 21 months of service."

However, in its detailed ruling issued Monday, the court added that it would not prohibit Galili's appointment to a higher post.

The case was brought by a 23-year-old female ex-soldier who said Galili raped her when she served as his secretary four years ago. The general denied the charge and said the woman consented to sex.

In 1996, an army disciplinary tribunal found Galili guilty of a serious sexual offence, though not of rape. It said he had exploited his position, and barred him from being promoted, for two years.

Earlier this year, the armed forces chief-of-staff, Lt. Gen. Shaul Mofaz, decided to promote Galili to major general and appoint him commander of an army corps, prompting the woman to appeal to the supreme court.

In her decision published Thursday, judge Tova Strasberg-Cohen wrote that "there is an inherent yawning inequality" in a relationship between an 18-year-old woman soldier and a senior officer who is her commander.

Such inequality "is likely to be fertile ground for abuse of power and authority." However, she added that the court would not interfere with the army's decision to promote Galili in function.

"Rank symbolises status, and promotion in rank is a mark of commendation. The respondent does not deserve this," Strasberg-Cohen wrote.

"This is not the case in the matter of promotion in function, which marks increase in the commander's responsibility and greater exploitation of his talents and professionalism," she wrote.

There was no immediate response from the army spokesman's office on whether Mofaz intends to go through with the appointment of Galili as corps commander.

## NEWS IN BRIEF

Libya questions continued Lockerbie reward

UNITED NATIONS (R) — Libya wants the Security Council to ask why the United States is still offering a reward for the apprehension of two men wanted in the bombing of an airliner over Lockerbie, Scotland, when arrangements for their handover have already been made. In a letter to Council President Qin Huasun of China, Libyan U.N. representative Abuzed Dorda said the Voice of America broadcast a U.S. government announcement last week offering a \$2 million reward for information leading to the arrest of the two men accused of bombing Pan Am Flight 103 over Lockerbie in December 1988 in which 270 people were killed. Dorda asked why the announcement was broadcast "after the relevant agreements were reached through the secretary-general of the United Nations" and with the mediation of South Africa and Saudi Arabia.

Tunisian FM in Algiers to revive union

ALGIERS (R) — Tunisian Foreign Minister Said Ben Mustapha said on Tuesday he discussed with Algerian leaders ways of reviving the long-dormant five-nation Arab Maghreb Union (AMU), state-run Algerian Television said. Mustapha said he delivered a letter to Algerian President Liamine Zerroual from Tunisian President Zine Al Abidine Ben Ali who visited Morocco two weeks ago with the aim of eliminating obstacles hampering the 10-year-old AMU. "The letter deals with...efforts to find ways to reactivate the AMU's mechanisms and bodies. This is a collective objective that all AMU leaders are keen to achieve," he told the television after meeting Zerroual.

Turkish Cypriots make pilgrimage in south

NICOSIA (AFP) — Over 1,000 Turkish Cypriot pilgrims crossed into the government-controlled southern part of Cyprus on Monday to visit the island's holiest Muslim shrine. The 1,227 pilgrims, most of them women and children, travelled in a convoy of buses to the Hala Sultan Tekke Mosque near the coastal town of Larnaca, and are to return to the north later in the day, the official CNA agency reported. The visit was timed to coincide with 'Eid Al Adha. A limited number of residents of the self-declared Turkish Republic of Northern Cyprus (TRNC) are allowed to visit the site each year, which houses the tomb of an aunt, or according to some, a disciple of the Prophet Mohammad who died here in 649 AD.

### JORDAN TELEVISION

Tel. 4773111-19

#### PROGRAMME TWO

19:00 .....Le Journal  
19:15 .....French Focus  
19:30 .....News headlines  
19:33 .....Documents Divers  
20:30 .....N.Y.P.D. Blue  
21:15 .....Divine Pledge  
22:00 .....News in English  
22:30 .....Cover Story

#### PRAYER TIMES

04:04 .....Fajr  
05:22 .....(Sunrise)Dua  
11:40 .....Dhuhr  
15:12 .....Asr  
17:58 .....Maghreb  
19:16 .....Isha

#### CHURCHES

St. Mary of Nazareth Church  
Swellfish. Tel. 5920740  
Assemblies of God Church Tel.  
4632785  
St. Joseph Church Tel. 4624590  
Terra Sancta Church Tel.  
4622366  
Anglican Church Tel.  
4624853/4624811.  
St. Afrem Syrian Orthodox  
Church Tel. 4771751.  
Amman International Church  
Tel. 5865897  
German-speaking Evangelical  
Congregation Tel. 5688404  
The Evangelical Local Church  
in Amman Tel. 5811295  
Church of Jesus Christ of Lat-

## JORDAN TIMES DAILY GUIDE AND CALENDAR

ter Day Saints Tel. 4654932  
St. John the Baptist at De la  
Salle College Tel. 5661757  
Church of the Annunciation  
Tel. 4637440  
Greek Orthodox Church Tel.  
4646138  
Church of Presentation, Swell-  
fish Tel. 5920146  
The United Catholic Church  
Tel. 4624757  
The English-Language  
Catholic Parish Tel. 4614190  
Evangelical Free Church Tel.  
4892679  
The Baptist Church Tel.  
4628052  
The Armenian Catholic  
Church Tel. 4771331  
The Armenian Orthodox  
Church Tel. 4775261

#### WEATHER

Bulletin supplied by the  
Department of Meteorology

Temperatures are expected to  
drop significantly and winds  
westerly moderate. Skies will  
be cloudy with rainfall expected  
in the northern parts of the  
Kingdom. In Aqaba, the  
weather will be moderate,  
winds southerly, and seas  
choppy.

Amman .....10/23  
Aqaba .....18/27  
Deserts .....10/28

Jordan Valley .....16/29

Yesterday's high temperatures:  
Amman 21, Aqaba 25.  
Humidity readings: Amman  
25 per cent, Aqaba 24 per  
cent.

Following are the tempera-  
tures expected today in the fol-  
lowing areas:

Ajloun .....10/24  
Jerash .....15/25  
Um Qays .....13/25  
Madaba .....14/26  
Petra .....15/28  
Dead Sea .....12/31

#### USEFUL TELEPHONE NUMBERS NIGHT DUTY

Dr. Said Tawfiq .....4788285  
Dr. Wisam Hazzayin .....4748563  
Dr. Omar Yassin .....5336221  
Dr. Khalid Abdo .....4657129

AMMAN:  
Firas Pharmacy .....5661912  
Al Salam Pharmacy 4636730  
Mayadah Pharmacy .....5337004  
Ruka Al Dawa Pharmacy 5536169

#### IRBID:

Dr. Ghazi Ta'ammeh (02)250080  
Fou'ad Pharmacy (02)273360

ZARQA:  
Dr. Salah Saffarini .....(05)987565  
Palestine Pharmacy .....(05)983562

#### EMERGENCIES

Food Control Centre .....4637111  
Civil Defence Department 5661101  
Civil Defence Immediate Res-  
cue .....4630341  
Civil Defence Emergency .....199  
Rescue Police 192, 462111, 4637777  
Fire Brigade .....4617101  
Blood Bank .....4775121  
Highway Police .....5343402  
Traffic police .....4896390  
Public Security Dept. .....4630321  
Hotel Complaints .....5605800  
Price Complaints .....5661176  
Water & Sewage Complaints 4897467  
Amman Municipality Com-  
plaints .....4787111  
Telephone Information (directo-  
ry assistance) .....121  
Overseas Calls .....0132  
Central Amman Telephone Repairs  
.....4623101  
Abdali Tel. Repairs .....5661101  
Jordan Television .....4773111  
Radio Jordan .....4774111  
Water Authority .....5680100  
J. Electricity Authority 5815615  
Electric Power Co. ....4636381  
RJ Flight Information 44-53200  
Queen Alia Int. Airport .....44-53200

#### HOSPITALS

AMMAN:  
The Arab Centre for Heart and Spe-  
cial Surgery .....5921199  
The Islamic Abdli .....5666131/7  
Hussein Medical Centre 5856856  
Luzmila .....4630195  
Khalidi Maternity .....464281/6  
Aikleh Maternity .....464241/2  
Jabal Amman Maternity .....4643362  
Malhas, J. Amman .....4636140  
Palestine, Shmeisani .....5607071  
Shmeisani Hospital .....5607431  
Jordan Hospital .....5607550  
University Hospital .....5353444  
Al-Muasher Hospital 5667277/9  
Al-Ahli, Abdali .....5664164/6  
Italian, Al-Muhajreen 4777101/3  
Al-Bashir .....4775111/26  
Army, Marka .....4891611/15  
Queen Alia Hospital .....5157100  
Amal Hospital .....5607155  
Al Amal Cancer Centre 5353000  
Jerusalem Hospital .....4387181

cial Surgery .....5921199  
The Islamic Abdli .....5666131/7  
Hussein Medical Centre 5856856  
Luzmila .....4630195  
Khalidi Maternity .....464281/6  
Aikleh Maternity .....464241/2  
Jabal Amman Maternity .....4643362  
Malhas, J. Amman .....4636140  
Palestine, Shmeisani .....5607071  
Shmeisani Hospital .....5607431  
Jordan Hospital .....5607550  
University Hospital .....5353444  
Al-Muasher Hospital 5667277/9  
Al-Ahli, Abdali .....5664164/6  
Italian, Al-Muhajreen 4777101/3  
Al-Bashir .....4775111/26  
Army, Marka .....4891611/15  
Queen Alia Hospital .....5157100  
Amal Hospital .....5607155  
Al Amal Cancer Centre 5353000  
Jerusalem Hospital .....4387181

ZARQA:  
Zarqa Govt. Hospital  
.....(05)983323  
Zarqa National Hospital  
.....(05)900560  
Ibn Sira Hospital .....(05)986731  
Al Hikma Modern Hospital  
.....(05)990990

IRBID:  
Princess Basma Hospital  
.....(02)275555  
Roman Catholic Hospital  
.....(02)272275  
Ibn Al Nafes Hospital  
.....(02)7101372, (02)7103101  
Rosary Sisters Hospital  
.....(02)7102831, (02)7102011

Speciality Hospital .....(02)7103100  
AQABA:  
Princess Haya Hospital (03)201411

#### FOR THE TRAVELLER QUEEN ALIA INTERNATIONAL AIRPORT

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other flights can be supplied on  
phone 44 (52700). Information on  
Royal Wings flights can be sup-  
plied on phone 4875201-5

#### ARRIVALS

Royal Jordanian (RJ)  
Flights  
05:30 .....Jeddah (RJ)  
06:00 .....Damascus (RJ)  
06:30 .....Jeddah (add) (RJ)  
07:00 .....Jeddah (add) (RJ)  
08:30 .....Jeddah (RJ)  
08:45 .....Larnaca (RJ)  
08:55 Dubai, Abu Dhabi (RJ)  
15:00 New York, Amsterdam (RJ)  
16:30 .....London (RJ)  
18:00 .....Rome (RJ)  
18:05 .....Brussels, Berlin (RJ)  
18:10 Frankfurt, Vienna (RJ)  
18:20 Madrid, Geneva (RJ)

18:30 .....Tel Aviv (RJ)  
18:50 .....Paris, Istanbul (RJ)  
22:55 .....Beirut (RJ)  
23:55 .....Cairo (RJ)

#### Other Flights

09:30 .....Cairo (MS)  
10:30 .....Jeddah (SV)  
13:20 .....Kuwait (KU)  
13:10 .....Tunis (TU)  
13:20 .....Bahrain (GF)  
14:30 .....Milan (AZ)  
15:05 .....Vienna (OS)  
15:30 .....Algiers (AH)  
16:45 .....Paris (IY)  
18:05 Karachi, Abu Dhabi (PK)  
18:40 .....Beirut (ME)  
20:30 .....Frankfurt (LH)  
00:55 London, Damascus (BA)  
01:25 .....Athens (OA)  
02:00 .....Rome (AZ)

#### DEPARTURES

05:40 .....Larnaca (RJ)  
07:50 .....Amsterdam, New York (RJ)  
09:50 .....Rome (RJ)  
11:00 .....Istanbul (RJ)

12:25 .....London (RJ)  
16:15 .....Tel Aviv (RJ)  
19:15 .....Colombo (RJ)  
19:30 .....Beirut (RJ)  
20:05 .....Cairo (RJ)  
20:05 .....Riyadh, Dhahran (RJ)  
20:15 .....Calcutta, Bangkok (RJ)  
20:20 .....New Delhi (RJ)  
20:40 .....Bombay (RJ)  
20:45 .....Bahrain, Doha (RJ)  
21:05 .....Dubai, Muscat (RJ)  
21:55 Riyadh, Jeddah (add) (RJ)  
00:20 .....Sanaa (RJ)  
02:00 .....Jeddah (RJ)

#### Other Flights

06:30 .....Larnaca (CY)  
06:50 Damascus, London (BA)  
07:25 .....Paris (AF)  
10:30 .....Cairo (MS)  
12:00 .....Medina, Jeddah (SV)  
13:20 .....Kuwait (KU)  
14:10 .....Bahrain (GF)  
14:10 .....Tunis (TU)  
15:50 .....Vienna (OS)  
15:50 .....Milan (AZ)  
17:45 .....Sanaa (IY)  
19:30 Abu Dhabi, Karachi (PK)  
20:00 .....Beirut (ME)  
02:45 .....Athens (OA)  
03:00 .....Milan (AZ)

#### Royal Wings (RW) Flights

08:30 Aqaba (from Marka Air-  
port) (RW)  
13:30 Gaza (from Marka Air-  
port) (RW)  
16:30 Tel Aviv (from Marka Air-  
port) (RW)  
20:30 Aqaba (from QAIA) (RW)

## Jordanians catch fitness fever as gyms open their doors to young and old alike

By Suha Ma'ayeh

AMMAN — A physical fitness craze is sweeping Jordan, with the young and the old rushing to gyms to improve their physiques by shedding their extra pounds and to enjoy a better life by exercising cardiovascular muscles. Over 50 clubs and gyms are catering for many of Jordan's 4.6 million people, offering a maze of services ranging from weight lifting machines and swimming pools to fitness centres offering the latest in aerobic exercise and dancing lessons.

In Amman alone, there are 41 such centres which sprung up in the 1990s, but gym goers and instructors say only a handful of them offer the latest state-of-the-art machines and exercises.

Dina Zakaria, 31, director of Flex Fitness Centre, a nearly JD400,000 facility which opened a month ago, said people in general love sports.

"Men and women from twenty to thirty years of age, and even fifty years come to exercise in the centre," she told the Jordan Times.

High profile fitness centres which provide services on a 1, 3, 6 and 12 months membership basis are largely targeting middle to high income customers.

They market aerobic and health service facilities primarily for weight reduction, physical fitness, life improvement and extension.

Laila Qupiti, 25, a machine instructor at Flex said the majority of people who work out at the facility want to burn fat.

"They follow a 45-minute three times a week fat burning programme for two months at least," she explained.

Others, Qupiti added, want to boost their cardiovascular system, and a lucky few wish to put on extra pounds.

"Those seeking to improve their cardiovascular system must exercise 20 minutes at least on the machines three times a week," she stressed.

These machines include bicycles, treadmills, stepper and a hiker.

"For those seeking to burn fat, which constitute the vast majority, the intensity of the exercise of must not be high," she said.

To control the level of intensity, the heart rate is used as a guide.

"The intensity must be between 65 per cent and 75 per cent [of the maximum capacity]," Qupiti added.

She stressed that the first 15 minutes of workout on carbohydrate burns and then fat burning takes effect.

"Fat starts to burn from the less fatty parts of the body and then from the

fat-concentrated areas.

"If people burn more carbohydrates, they will feel hungrier, that's why people who wish to put on more weight are asked to put effort for a short time," she added.

In general, Qupiti said that people workout because they want to improve themselves, to feel good, and to look good.

"People who exercise want to change their lifestyle as it brings them more happiness," she added.

Nidal Kattan, supervisor at the Plaza fitness centre in Sweifich, said some members complain from joint-related problems.

"They follow flexibility exercises," he said.

Kattan pointed out that teenagers, middle aged men and women and seniors workout at the centre.

"As for some teenagers, working out is following suit with Western lifestyles," he added.

Working out at the centre, Kattan added, has encouraged social gatherings as well.

"You know it is hard to lose weight after having four children," said Lama, a mother of four who has been walking on the treadmill for 25 minutes.

Lama, 40, a housewife, added that she works out because she meets her friends at the centre, especially when she is free in the morning.

Kazem Abu Ghazaleh, 31, general manager of Fitness One, a JD350,000 facility, said despite economic recession, health clubs have become an outlet for most Jordanians.

"When people face problems, working out relieves their stress," Abu Ghazaleh said.

He added that most people are aware of the importance of leading a healthy life. "Members who exercise at the centre want to boost their stamina," he added.

"Most of the customers are high school and university students from 18 to 25 years old. As far as ladies are concerned, most are middle aged women who prefer to exercise in the morning," Kazem added.

However, in the early morning senior men who complain of high blood pressure and high levels of cholesterol workout at the facility.

"Exercise will take care of their problems," he stressed.

Kazem added that there are others who complain from back and knee problems.

"Such people are recommended to follow a diet and to exercise on the cardiovascular machines at low levels to strengthen their knee caps and fight lower back problems."

## Better fitness made simple

*This is a basic physical activity plan for someone who has never been active, but wants to lose weight by being physically active, reduce his or her likelihood of getting heart disease, or just wants to feel and look better.*

To be better fit, just follow these simple steps:

IF YOU have any history of heart disease, high blood pressure or other health problems that you might worry about, please see a physician before you begin any fitness programme. That alone could save your life. Especially if it's been a long time since you've seen a physician. Even if you never plan on seeing one again (which we hope not to be the case), please consult one before starting any physical activity if you have parents who have had serious health problems.

This is critical: decide you want to be physically active and mean it. We think that motivation is 90 per cent of the way to success in starting with and sticking to a programme of being physically active.

Any physical activity helps one be fit and that you can get it in segments throughout the day!!

This is very good news. It means that if you decide to walk, but can walk for only five minutes each time (to get your 15 minutes in per day), that's perfectly OK! It also means that gardening, doing the laundry, carrying kids up and down the stairs, etc., it all counts! The important message is to get up and move as much as you can.

The best overall physical activity, the cheapest, and the most convenient, is to walk. You don't have to have special shoes, although you may find it more comfortable to have a pair of running shoes. You can do it any time night or day in most places...just make sure you wear reflective clothing at night. It costs nothing (unless you buy a pair of shoes). You can easily do it with relatives or friends. It's easy to do: everyone knows how to walk! And you can do it all year!

How much should you walk? The minimal programme should be 15 minutes per day. This is true if you have not been involved in any physical activity at all. If you have done some walking, then it is best to walk at least 30

minutes per day, and if you can do more, that's even better. Basically, the more you do, the better physical condition you'll be in. But to do any walking, is so much better than not doing any. Even if someone smokes (we know you don't), and if they are physically active on a regular basis, they can reduce their risk of heart disease. And remember: if the only way you can get in 30 minutes per day is in 10 minute segments, then do it that way!

Keep a log of your walking time and/or distance. Be sure to include your other physical activity time if you have it: gardening, laundry, climbing stairs, etc. This is a good way to congratulate yourself for the time you're putting in to be physically active. You can celebrate once a week, once a month, or quarter. Whenever you want to total up the time or distance, go ahead, then say "that's a boy" or "that's a girl!" You should feel accomplished! Do something special!

If you can, walk with a friend or neighbour or relative. Just walk. Many people do better if they engage in physical activity with someone else. That's good. When you celebrate, do so with your friend(s) also. On the other hand, don't be afraid to walk alone sometime. It's a great way to enjoy the quietness of your area and to notice the birds and the bees, etc.

That's it. That's the very basics of a physical activity programme. If you want to do more, then you should consider proper stretching and strength training, but if you're not doing anything right now, we don't want to discourage you one bit. Just do 1-7 above, and when you're ready, go to the next phase which will include stretching, and the final phase which will, or at least should include strength training. We'll have more on the last 2 phases on another page on our web site when that's finished.

Now it's up to you: go for it and become physically active! Good luck!

— Michigan Fitness Foundation

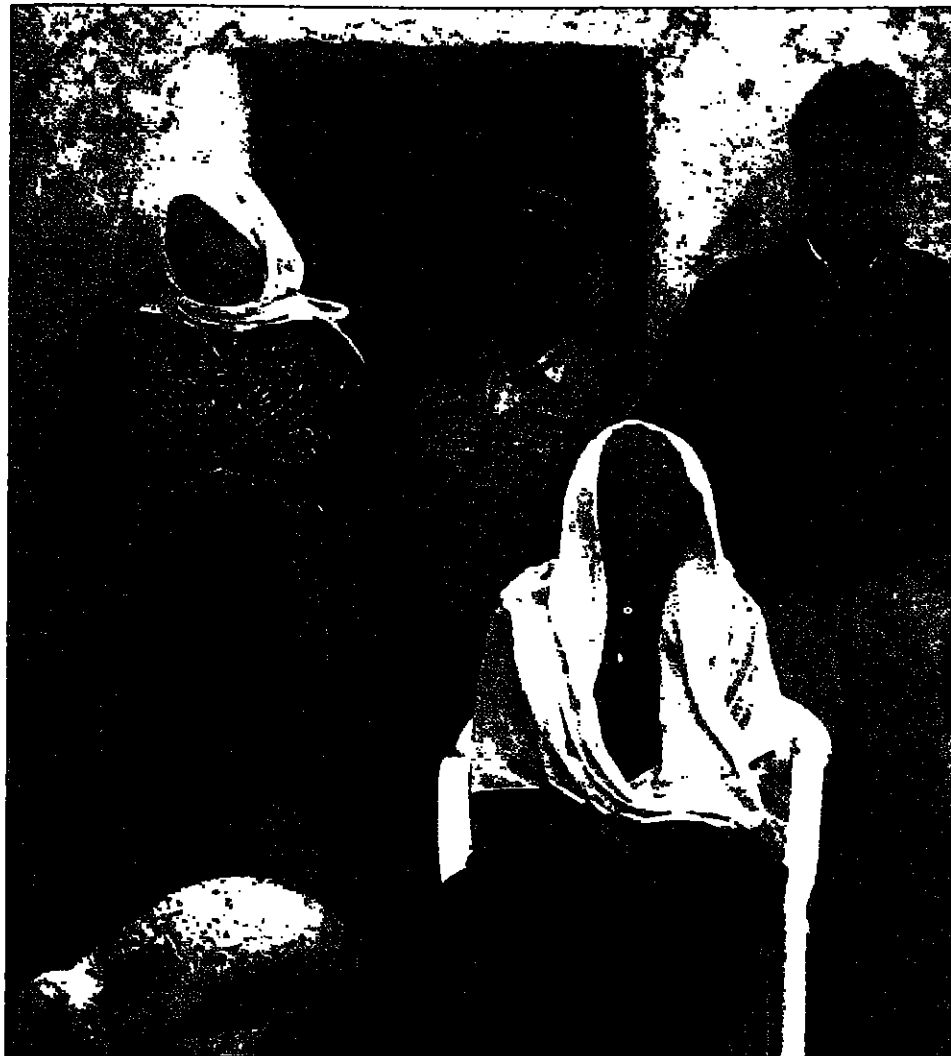
## Canada announces aid to beleaguered UNRWA

AMMAN (J.T.) — The Canadian Embassy is pleased to announce the disbursement by the Canadian International Development Agency (CIDA) of CAD5 million to UNRWA. This disbursement will take place before the end of the Canadian fiscal year (31 March 1999).

This is the first part of a CAD10 million special contribution to UNRWA recently announced by Canadian Minister for International Development Diane Marleau.

A further CAD5 million will be disbursed to UNRWA early in the next fiscal year (Spring 1999). This is in addition to Canada's annual core contribution of CAD9 million, and means that in 1999-2000 Canada's core contribution to UNRWA will increase by 40 per cent, from CAD9 to CAD14 million.

Canada's contributions are intended to strengthen UNRWA's capability to deliver its mandate of providing educational, health and social welfare services to Palestinian refugee camps in Jordan, Lebanon, Syria, the West Bank and Gaza.



Palestinian refugees in Baqaa Camp near Amman (UNRWA photo)

## IPC records JD96.2 million in investments in first quarter, approves 52 new investment projects

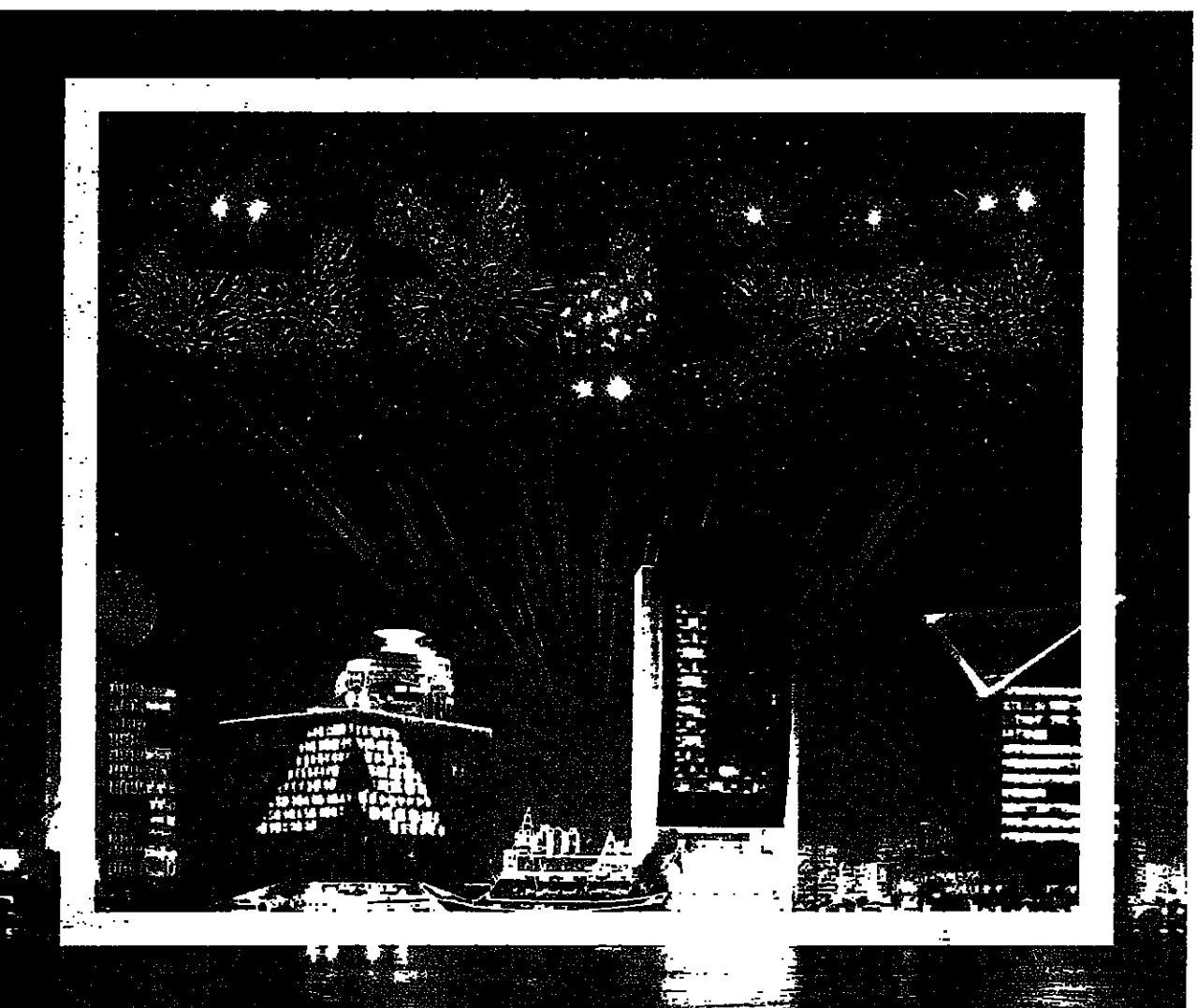
AMMAN (Petra) — The Investment Promotion Corporation (IPC) has approved 52 investment projects worth JD96.2 million during the first quarter of this year, compared with 37 projects worth JD40.6 million during the same period in 1998, sources said Tuesday. The sources said the industrial sector accounted for JD68.9 million,

thus claiming the lion's share of investment, followed by the hotel sector which accounted for JD11.8 million, and the agricultural sector with JD10.5 million, followed by the hospital sector with JD5 million.

The sources said the volume of foreign investment in these projects amounted to JD34.1 million or 35 per cent of the total volume of investments.

American and Canadian investments ranked first with a volume of JD11.5 million or 34 per cent of all foreign investments, followed by European investments with JD8.8 million or 36 per cent of foreign investment. Arab investments accounted for JD2.4 million or seven per cent of the total foreign investment.

On Tuesday the Investment Promotion Corporation okayed several new investment projects, as qualifying for benefiting from the Investment Encouragement Law. The new projects cover the industrial, agricultural, hotel, hospital, maritime transport, railroad, conference facilities, exhibitions and recreational sectors.



## Fly Emirates to the city of bargains.

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## What's Going On

### FILMS

• German film "Jenseits der Stille" at Goethe-Institut, Jabal Amman at 7:30 p.m.

### PLAY

• Comedy entitled "A Friend in Need is a Friend Indeed" at Al Thurayyah Hall, Village of Tayibat (Tel. 4380631, 4655585), (daily at 9:00 a.m.).

### EXHIBITIONS

• "Amman... A Meeting Point" by Swedish artists Ann Edholm and Hakan Rhenberg at Darat Al Funun, Jabal Weibdeh. Also displaying works by contemporary Arab artists, until April 22.

• Works on paper by Russian artist Yuri Pestov entitled "Al Ferdouse, the Rose Garden" at the Jordanian Plastic Artists Association, Jabal Weibdeh, until March 31. (Tel. 4623297).

## News in brief

### Church to restrict Easter events

AMMAN (Petra) — The Orthodox Church on Tuesday said it will restrict its Easter celebrations to religious rites as an expression of their love to the late His Majesty King Hussein. In a statement issued by the office of the Orthodox Church, the church said since this is the first Easter after the passing of the late King prayers will be held at churches in his memory.

### CDD records 106 accidents

AMMAN (Petra) — The Civil Defence Department (CDD) personnel dealt with 106 accidents, resulting in three deaths and 106 injuries, CDD sources said Monday.

### Rafua visits Al Hussein Society

AMMAN (Petra) — Minister of Social and Administrative Development Faisal Rafua Tuesday visited Al Hussein Society for the Welfare of the Child where he inspected conditions of children there and congratulated them on 'Eid Al Adha. Rafua stressed the need to provide quality services for the society's children in the social, health and recreational fields.



BEIJING (R) — Fourteen coalminers have been killed in a flood and two blasts in three different mines in the last twelve days and 47 were missing, presumed dead, the China coal daily said on Tuesday. It said four miners drowned and 36 others were missing after a huge flood swept through a coalmine in the northeastern province of Hebei on Monday evening. Water flooded the entrance to the Naitai city coal mine in 20 minutes, the newspaper said. Of the 34 people in a mineshaft coming up after their shift ended, one worker was drowned and four others died later in hospital. The other miners all survived, the newspaper said. It said 36 workers beginning their shift in the mine when the flood began had not been found and were presumed dead. The origin of the flood was not clear. A gas explosion ripped through a small coalmine in Hebei's Quyang county on Sunday killing five workers and seriously injuring three, the newspaper said. It said the case was still under investigation and gave no other details. It said a gas explosion in a small coalmine in northwest Gansu province's Lanzhou city on March 19 killed six people. Eleven people were still missing. Experts investigating the blast found that one of the mine's two entrances was a dead end and lighting and telephone lines were faulty, the newspaper said.

World  
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## World News

### Cambodia struggles to combat AIDS

PHNOM PENH, Cambodia (AP) — Struggling with the highest rate of HIV infection in Asia, Cambodia on Tuesday kicked off its first-ever national conference to increase awareness of the AIDS epidemic and boost government and foreign support for programmes to stop its spread.

The conference opened with a tearful call from AIDS victim Sam Theara for younger generations of Cambodians to protect themselves from HIV and help in the fight against the deadly virus.

A widowed mother of three, Sam Theara contracted AIDS from her husband and passed the disease on to her then-unborn daughter. After displaying symptoms of the disease, she was ostracised by her family and friends.

"They told me that I had sinned, but I think it is not a sin. It is because I did not know about it. If I did, I would have avoided the disease," she said, sobbing as she spoke to the 700 participants in the two-day conference.

Since the first case of HIV in Cambodia was diagnosed in 1991, the virus has spread at an alarming rate through the impoverished nation and is now infecting an estimated 100 Cambodians every day.

The country's war-torn health-care system has had to struggle to combat the epidemic, even with substantial assistance from international donors.

"The situation is seri-

ous," Dr. Peter Piot, executive director of the joint United Nations programme on HIV/AIDS (UNAIDS), said at a Tuesday press briefing. "The impact of the epidemic — if it is not slowed down — will be enormous."

The UNAIDS chief said Cambodia's new-found peace has given the government and donors an opportunity to intensify aids awareness and prevention programs crucial to slowing the disease's spread.

"Each of us, each sector, each ministry, government and civil society has to work together. This is the only chance we have to stop this terrible epidemic," Piot said in a pledge to increase U.N. support for the Cambodian anti-AIDS campaign.

Cambodia's thriving commercial sex industry has been identified as the main link in the spread of the disease. Almost half of the country's 10,000-20,000 sex workers are believed to be infected by HIV.

A pilot programme enforcing condom use in brothels has proved successful in Cambodia, but Dr. Tia Phalla of Cambodia's HIV/AIDS control centre lamented that consistent condom use has not been achieved, especially in the home where promiscuous Cambodian men are spreading the disease to their wives and families.

Sam Theara, one such victim, is just one of 150,000 HIV cases in Cambodia that will soon



Suffering from AIDS, one-year-old Rot Hoem Kea, sits in a state run orphanage where nearly 25 per cent of the children are HIV positive in Phnom Penh. Cambodia has one of the highest HIV prevalence in the region, with 180,000 people in the country already infected and 100 Cambodians becoming infected every day (Reuters photo)

swamp a health-care system that only has 100,000 beds.

Now an anti-AIDS activist, Sam Theara has dedicated the rest of her waning life to making

sure Cambodians understand how to protect themselves against the killer disease.

I wish to call on the new generation of our youth to be cautious and

to be aware of aids," she said. "Be very careful because it's about your life. No one who has AIDS can live to an old age. I have seen too many people die young."

### Deadly new pig virus confirmed in Singapore

SINGAPORE (AFP) — U.S. experts have confirmed that a new pig-borne virus suspected in dozens of deaths in Malaysia has also struck slaughterhouse workers in Singapore, officials said here Tuesday.

The Atlanta-based Centres for Disease Control (CDC) found that out of 15 blood samples from Singapore abattoir workers, 11 tested positive for a new virus similar to the "hendra" encephalitis strain, a statement said.

One of the positive samples is from the lone Singaporean who has died of encephalitis, an often fatal inflammation of the brain.

Singapore has banned all imports of live pigs to prevent the disease from spreading. Out of six Singapore abattoir workers still hospitalised, five were stable while one was in serious condition but improving.

The hendra-like virus is suspected to be responsible for a majority of the deaths so

far from an encephalitis epidemic in neighbouring Malaysia, which have risen to 71. Malaysia is now carrying out a mass culling at pig farms.

"What is important is how to stop the spread of the virus," Ngian Tong Tau, director of the Primary Production Department, told a news conference.

A joint statement issued by Singapore's ministries of health and environment and the primary production department said the hendra-like virus "appears to be similar to that detected in Malaysia."

"The experts in CDC are determining the exact nature of this new hendra-like virus," it said.

The CDC experts had noted that transmission of the virus has been confined to persons who have had direct contact with live infected pigs and that there was no evidence to show that this virus could be transmitted man-to-man.

The statement also gave an assurance that the confirmation of the virus infection in the abattoir workers did not pose any risk to the public.

"As the virus is spread from infected pigs to humans through close contact, the ban on import of live pigs effectively cuts off the source of infection," the statement said.

It also said the virus was susceptible to disinfectants and soap, and that closing the abattoirs for thorough disinfection would have removed any hendra-like viruses from the abattoirs.

The hendra-like virus is a new strain and similar to the Hendra virus which was responsible for the deaths of some horses and humans in Australia in 1994.

However, Singapore officials said genetic analysis of the new hendra-like virus showed some significant differences from the hendra virus, named after a Brisbane suburb where it was first identified.

### Search for Mont Blanc victims hindered by safety fears

CHAMONIX, France (AFP) — Police seeking to trace and identify victims of last week's Mont Blanc tunnel inferno were unable to enter the passage for the second day Tuesday due to safety fears.

At least 40 people died in the fire that erupted aboard a truck last Wednesday. But efforts to check for further corpses in the wreckage of molten vehicles in the tunnel linking France and Italy were suspended Monday due to fears that parts of the tunnel could collapse due to damage caused by heat.

It took firefighters until last weekend to reach the heart of the blaze that had engulfed some 30 vehicles, due to thick smoke and temperatures that reached 1,300 degrees Celsius. Only seven of the corpses

have so far been identified and police and forensic experts are awaiting the completion of work to shore up the vaulted tunnel before returning to the scene of the tragedy.

State prosecutor Bruno Charve has said it will take weeks to identify the victims.

The premiers of France and Italy, Lionel Jospin and Massimo d'Alema, pledged Monday to review safety conditions in tunnels linking the two countries and an inter-governmental meeting is scheduled Wednesday at Courmayeur, the resort town near the Italian entrance.

The committee will examine the reasons behind the catastrophe and review security in the 11.5 kilometre tunnel carved through the Alps in 1965.

"We must draw the lessons of this tragic but exceptional accident in order to ensure it never happens again," Jospin said Monday.

"There must undoubtedly be a cutback in the transport of goods by truck through the tunnel, especially those carrying dangerous substances," the Italian premier added.

The truck that triggered the fire was carrying flour and margarine — goods that burn slowly and produce thick smoke — when it caught fire, engulfing other vehicles in an inferno of searing heat and acrid clouds of smoke.

The tragedy has unleashed demands for better safety and for a cut in the number of heavy goods lorries using the passage.

### Rwanda holds second day of local elections; officials happy

KIBUYE, Rwanda (AFP) — Rwanda's local authority elections went into their second day on Tuesday, with officials expressing satisfaction at the conduct of the first poll since the genocide of 1994.

Monday's voter "participation was massive in administrative districts and there were no incidents," Radio Rwanda reported. "In spite of the rain which lashed the whole country, people turned out in large numbers."

The official radio, which on Tuesday broadcast reports from across the central African highland nation, said that while the bad weather had caused some problems, the overall effect was "largely positive".

"In (the capital) Kigali,

the elections were suspended in some districts but the process began again on Tuesday for all the cells where people had not cast their votes," the radio said.

Over three days from Monday, Rwandans aged over 18, as well as foreign residents, are choosing some 116,000 officials in the 154 communes, formed of 1,531 administrative sectors, which are in turn sub-divided into 8,987 "cells".

Voting began Monday at schools, stadiums and other public places with people publicly designating candidates for their cells, the lowest local-government level.

A record turnout was achieved in the western Kibuye, the only district with no tarred road to

Kigali and the most remote part of the country of an estimated 7.5 million people, an AFP correspondent noted.

Kibuye was also badly wracked by the genocide, in which Hutu extremists massacred up to 800,000 minority Tutsis and moderate Hutus from April 1994 until July that year, when the Tutsi-led Rwandan Patriotic Front (RPF) seized power.

"Of all such events we have been able to organise, this is the first time we have seen such a huge attendance," stated Ferdinand Ngabo, the district administrator of Kibuye, where AFP went to the communes of Muranda, Rutiro and Mabanza.

"Participation has been more than 100 per cent,

because some people had been registered beforehand, but others who were not came along to vote as well," Ngabo added.

Local people questioned by AFP said they were pleased to be able to choose their own local officials, who had previously been appointed, although no election campaign has taken place and none of the candidates represent any political parties.

According to the authorities in Kigali, the non-partisan procedure, in a country where political parties exist, is aimed at healing wounds after the genocide, which left Rwanda's infrastructure in ruins and many of its civil servants, teachers, lawyers and others, dead or departed.

### Lava from Cameroon mountain threatens virgin rainforest

YAOUNDE, Cameroon (AP) — A plodding river of Lava seared virgin rainforest in western Cameroon on Tuesday and threatened some small farms as authorities appealed for calm in nearby villages, state radio reported.

Cameroon Interior Minister Samson Ename Ename said the government is prepared to evacuate dozens of towns and villages in the shadow of the erupting Mount Cameroon, also known as Mount Fako Or, to some, the chariot of the gods. But he told state-run Cameroon radio tele-

vision that danger in populated areas hasn't reached "moments of alert."

The 4,095-metre volcano, a tourist attraction that draws thousands for an annual race up its black, rocky slopes, began erupting over the weekend while frequent earth tremors rattled and damaged area houses with enough power to knock kitchenware off shelves.

At least five tremors were also reported on Tuesday in towns and villages around the mountain, 400 kilometres west of Yaounde, the national capital.

State radio reported no casualties from the tremors or eruption but called environmental damage "heavy." witnesses said the tremors damaged several houses in the town of boua, some 20 kilometres to Mount Cameroon's south, and in several nearby villages.

Cloud cover prevented authorities from surveying destruction of the rainforest during a helicopter over-flight Monday. But they confirmed lava has flowed at least 1.5 kilometres past the limits of the flow from the 1982 eruption. It has now reached a

swath of virgin rainforest that separates the mountain from the sea.

Small subsistence farms dot the lava's path but major cash crop plantations nearby were safe, said the radio station.

Besides the tremors and lava, a Cameroonian geology professor, Isaac Konfor Njilah, said area residents face danger from the burning magma and poisonous gases.

Volcanic ash also threatened to cause raging bush fires in the lush forests, he added.

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## Deployment dilemma

UNLESS MOSCOW performs a miracle to stop the war over Kosovo soon, NATO will soon discover that relying on aerial bombardment will simply not do the job of stopping Belgrade's war machine. The Serbs must have calculated all along that with NATO ruling out the deployment of ground forces to arrest their onslaught on Kosovo and its people, there is no effective way left for the international community to stop the ethnic cleansing campaign and genocidal warfare being perpetrated against the ethnic Albanians.

The major Western powers still insist that their superior aerial power will destroy the Serb's war machine faster and more effectively than the use of ground troops. Actually the reasons that NATO is not projected to commit its armies in Kosovo are both political and military. President Bill Clinton, President Jacques Chirac and Prime Minister Tony Blair had solemnly pledged to their peoples that no ground forces would be deployed. On that basis, the Western leaders received approval from their parliaments for the air strikes.

The West was counting on Belgrade raising the white flag soon after the first wave of allied warplanes dropped their bombs on Serbian targets. That did not happen, not even after six nights of air strikes. Instead the Serb leader grew more intransigent and defiant. He also intensified his cruel war on the Kosovars. The downing of a U.S. Stealth fighter bomber gave the Serbs more confidence that their aerial defences are still potent enough to take a heavy toll on the Western air armadas.

Against this backdrop, NATO, it seems, has started a war that it cannot bring to a successful end short of reversing itself on the deployment of ground forces. But even a decision to deploy troops will be fraught with untold dangers. It would take NATO weeks to prepare for an invasion of Kosovo and assemble sufficient ground power to render it operational. Meanwhile, the people of Kosovo are left with no choice except to run for their lives. The threat of resorting to an international tribunal to bring the leaders of Serbia to justice when the dust settles is not comforting enough. We have seen how the main architects of ethnic cleansing and genocidal warfare in Bosnia remain free till now. Short of resoundingly defeating Yugoslavia on the battlefield, Belgrade and its leaders will continue to flout every humanitarian principle on earth with impunity. To defeat Yugoslavia, though, requires a declaration of war on that country in the name of NATO and the international community — a route that does not seem to be in the cards.

## ARABIC PRESS COMMENTARIES

Al Ra'i's Fahed Faneh said the International Monetary Fund (IMF) is "heartless" as it seeks economic balance regardless of social considerations, which do not have a place in the IMF "dictionary" of the "non-charitable" fund. Thus, the last exception thing is to find the IMF encourages governments to include social justice as a basic factor in economic policies, added Faneh. Economists and IMF supporters claim that the economic growth and justified income distribution are contradictory, because the increase in the income of the poor only boosts their consumption, while an income increase for the rich will raise their reserves and investments as their needs are already met, according to the writer. A recent IMF study has found that the gap between the haves and the have-nots is expanding all over the world, including in wealthy industrial countries — a factor that requires reconsidering the issue of just income distribution, said Faneh. The writer added that justified distribution would help economic growth, minimise that gap, fight poverty and ensure social stability.

Al Ra'i's Mahmoud Rimawi said there is no comparison between U.S.-British intervention in Iraq and the NATO's effort to find a peaceful solution in Yugoslavia. He explained that Iraq has taken long strides in the implementation of the U.N. resolutions and in turning the page of its invasion of a neighbouring country, which has admitted that Iraq does not want to launch a dialogue with Iraq, it could negotiate with the Arab League or the seven-member Arab committee to put an end to the Iraqi people's suffering. The U.S. warnings to Iraq not to exploit the events in Yugoslavia are "meaningless," especially that the United States has adopted a declared stand to support Iraq's solidarity, said the writer. Similarly, Rimawi said the Iraqi media campaign against NATO's intervention against the Serbian leadership is not in the interest of Iraq.

## Washington Watch

# Two wars on two fronts

By James J. Zogby

WITH THE launching of a U.S.-led NATO air war against Serbia, the United States has become engaged, for the first time since World War II, in military hostilities on two separate fronts.

There are profound differences between the confrontations with Iraq and Serbia — but there are some similarities as well. On the surface, for example, both are "made for TV" wars. From the first day of the air strikes the television treatment has included all the familiar components.

The 24-hour news networks adjusted their programming accordingly. These new media creations thrive on such crises. The coverage has been endless. Throughout the first night of the air raids the television screen was divided between somber-faced reporters and the now-familiar eerie green flashes of bombings as seen through a night vision lens.

This on-site coverage has been suspended since the Serbians ejected reporters from the country. But the all-news channels were not to be deterred. Even with no reporters in Serbia, coverage has continued with news updates, reports from the White House and a stream of commentators — some former government officials, so-called "experts" and military analysts. The latter two groups are distinguished by the fact that although they actually know very little about what is going on, they nevertheless feel compelled to offer their "expert" views.

As in the Iraq war, these "experts" have no more knowledge than the newscasters. Often times, they've never been to the country that they are analysing. They are a "cottage industry" of former government or military personnel or academics which has been instantly created to fill the need of television to have articulate talking heads to fill 24 hours of discussion.

When these commentators are finished, the networks switch to a variety of human interest interviews — which usually consist of the families of U.S. military personnel involved in the conflict and, in the recent case, joyous Albanian Americans and grieving or angry Serbian Americans.

Welcome to the TV war! It is the new war of smart bombs, computer simulated graphics and endless talking.

What is both fascinating and disturbing about this new type of war — in both Serbia and Iraq — is the fact that despite the saturation of television and print media coverage, in the end, we know so very little about what is actually happening on the ground.

In the cases of both Iraq and Serbia, the administration has made similar arguments to win public support. Last week, President Clinton made a compelling personal appeal in advance of the bombing campaign.

He offered a rather simplified crash course in recent Balkan history and spelled out the humanitarian considerations and the threat of wider conflict if nothing was done to stop Serbian violence in Kosovo.

U.S. interests in the region the president stated were clear: "Our values" were at risk if nothing was done to stop the pending humanitarian crisis, and "our interests" would be jeopardised if the conflict spread and destabilised southern Europe. NATO would bomb, he said, to deter aggression and degrade the ability of the Serbian military to commit further atrocities. Finally, the president said, the U.S. goal was to

*'At week's end, the U.S. public is following two wars on two fronts, with similar arguments being made to justify them both. There are connections that ought to be made and questions that ought to be asked and answered. It is doubtful, however, that they will receive any thoughtful consideration, any time soon'*

bring about Serbian agreement with the proposed peace plan. Much of this campaign had a familiar ring to it and supporters of the administration's policy and many in the media have been quick to point out the parallels.

At least one prominent U.S. political leader sought to complete the parallels between Serbia and Iraq. On the first day of the bombing, the Republican chairman of the Senate Foreign Relations Committee announced that he was fed up with the Serbian strong man, Senator Jesse Helms stated that Slobodan Milosevic had to be removed from office and, therefore, he would introduce "The Serbian Democratisation Act" (modelled after "The Iraq Liberation Act"). This act, like its predecessor, would authorise \$100 million to overthrow Milosevic and impose tough economic and political sanctions to isolate the Serbian regime.

One significant difference between the Serbian and Iraqi fronts is the number of influential voices that have been raised, from the outset, in opposition to the air attacks on Serbia.

One-half of the Republican presidential candidates and a

number of important U.S. senators have criticised the administration's rationale for the attacks, the scope of the hostilities, their legitimacy or their underlying strategy.

Some have warned of the dangers to U.S. interests and prestige resulting from the "unilateral use of force." Others have questioned the goals of the bombing and have questioned the what would be the administration's fallback position if the bombing failed to produce results. There have been dire warnings that the very catastrophes the attacks have been designed to forestall (i.e. the humanitarian crisis in Kosovo and regional instability in the Balkans) might even be aggravated by the bombings. On the other hand, some have criticised the administration for responding too slowly to the crisis and acting too cautiously — without indicating what they would propose as a more aggressive strategy.

Similar concerns have been raised by the continuing confrontation with Iraq, but by only marginal political figures or groups. In the case of Serbia, the issue is even being touted as a possible presidential campaign issue for 2000.

If the hostilities drag on with no end in sight, and if tensions emerge within NATO or are further aggravated with Russia and China, it will be interesting to see if those current critics of the Clinton administration's Serbia policy extend their criticism to include the Iraq situation.

While there are some parallel concerns (i.e. questions about unilateralism, regional impact, strategy, etc.), it will probably be difficult for politicians to question the Iraq policy for at least one important reason.

The political campaign against Milosevic has been vigorous, but it has been uneven. In the case of Iraq, the demonisation of the Iraqi leader has been systematic and complete. The Serbian president, like Saddam, has been compared to Hitler and has been routinely condemned for ethnic cleansing and other crimes against humanity. At the same time, however, the Milosevic's government was a partner to the Dayton Peace Accords and a party to the negotiations at Rambouillet. No such talks have taken place with Iraq nor are they politically possible given the manner in which the regime has been vilified during the past decade.

So at week's end, the U.S. public is following two wars on two fronts, with similar arguments being made to justify them both. There are connections that ought to be made and questions that ought to be asked and answered. It is doubtful, however, that they will receive any thoughtful consideration, any time soon.

## Linguistic wranglings over statehood

By George S. Hishmeh

WASHINGTON — There is no doubt that Yasser Arafat, president of the Palestinian National Authority, did better in Europe than in the United States during his recent swing in the two continents seeking support for "filling the legal and political vacuum" after the May 4 expiration date of the five-year Oslo peace process.

The EU's statement was a great triumph for the Palestinian leader who has been threatening to unilaterally declare Palestinian statehood next May, just ahead of the Israeli national elections unless Western powers come out in full support of Palestinian statehood.

His argument that he must be rewarded for delaying his declaration paid off with his European interlocutors who were vehement in their support, regardless of Israel's point of view on Palestinian self-determination. In brief, European recognition of Palestinian statehood should be a matter of time — not exceeding one year — once the Israelis elect a new leadership and final status talks resume forthwith.

The EU statement was clear-cut. "The European Union is convinced that the creation of a democratic, viable and peaceful sovereign Palestinian state on the basis of existing agreements and through negotiations would be the best guarantee of Israel's security and Israel's acceptance as an equal partner

in the region. The European Union (EU) declares its readiness to consider recognition of a Palestinian state in due course."

Associates of the Palestinian leader who took part in the Washington talks are now claiming that the Clinton administration is also considering a new statement that will go beyond Clinton's praiseworthy remarks when he visited Gaza in December 1998.

Addressing Palestinians, including members of the Palestinian National Council, during his historic visit to Gaza, the American president told them "before you (is) the opportunity to shape a new Palestinian future on your own land" and repeated a call for the "legitimate rights of the Palestinian people," the term used in the Camp David accords. But his headline-grabbing remark came when he told another Palestinian audience that they "now have a chance to determine their own destiny on their own land," a step beyond what former President Jimmy Carter had said many years earlier during a visit to Egypt.

Of interest in the Washington talks last week was that the greater part of the one-hour meeting was spent in a "one-on-one" session between Clinton and Arafat. Whether Arafat came away with any new promises from the American president remains to be seen. Arafat chose to remain tight-lipped about the deliberations, and a senior State

Department official inexplicably revealed that Arafat did not raise his tit-for-tat offer to delay his declaration on statehood in exchange for an American public concession along the lines of an acknowledgement of the Palestinians' right to self-determination.

"He did not raise it," the senior American official said. Arafat came more "frankly" to ask Clinton "what the president's views were, and the president explained" the American opposition towards a unilateral declaration.

However, the official, who asked not to be identified, was not more forthcoming in his briefing to reporters shortly after the talks ended. He, in fact, avoided being drawn into a discussion when asked about the "problem" that the U.S. has in declaring its support for Palestinian self-determination: a tenet of American foreign policy enunciated by the great American president, Woodrow Wilson, after World War I.

His reply to my question was curt and evasive.

"First that's not language that we've used before," the official said. "Number two, we have a special role to play in this process. And we understand the special nature of our role. Number three, I would say we have been very careful in this process to avoid staking our positions on permanent status issues precisely because we want the parties to have a chance to engage on those permanent status issues. The Palestinians have their aspira-

tions, and they'll certainly bring their aspirations and their needs as they define them to the table. The Israelis have their views, and that will have to be negotiated. To have the U.S. staking out positions on permanent status issues we don't think is productive to coming to an agreement, at least at this stage."

Whether the "Gaza Plus" statement, as it has been described here privately, from the Clinton administration will emulate the points in the laudible EU statement of March 26 is anyone's guess. In fairness, though, the Europeans and the Americans seemed in close agreement on the next steps that are essential to revive the moribund peace process. Both agreed that talks should not be open-ended and should be resumed shortly on an "accelerated" basis — a development that gave rise to speculation that there has been some behind-the-scenes coordination between Washington and its European counterparts.

In the final analysis, Washington cannot continue to bury its head in the sand over the issue of Palestinian self-determination. Even its erstwhile neighbour, Canada, has come out in favour of Palestinian statehood. Prime Minister Jean Chretien said last week "we believe that through the negotiations we should resolve the creation of the state for the Palestinians" recognising that this cannot be "blocked for ever."

## Footnotes

## Three cheers for NATO

By Walid M. Sadi

AS ONE who has logged a quarter of a century in U.N. human rights activities, I can say that NATO has truly redeemed itself as a moral force in acting so forcefully, albeit belatedly, against Belgrade over the Kosovo conflict.

My reasoning is straightforward. All nations are compelled under international law to intervene, even by military means, to stop crimes against humanity and war crimes if and when they can. All countries are obligated under international law to apprehend and try all those who have committed heinous crimes without consent of any U.N. body including the Security Council. Therefore, NATO countries are not required to seek the Security Council's stamp of approval before acting to stop systematic and gross human rights violations.

Besides, when NATO military intervention was put to the test before the Security Council, only three states voted against it. By simple deduction, 12 nations voted in favour of intervention. So much for the argument that NATO's actions lack formal legitimacy.

The fact that NATO did not lift a finger in other equally painful situations such as in Rwanda or the Middle East does not mean that a precedent cannot be set elsewhere in the world. Of course, all of us would have rejoiced had the major Western capitals, which seem to hold all the powerful cards in their hands, moved swiftly and effectively to arrest genocide in Africa, Asia, South America and the Middle East. NATO inaction in so many parts of the world is certainly a blemish on its record. But having decided to dig in their heels over Kosovo can indeed usher in a new era in favour of effective interventions for humanitarian and moral reasons.

Now, in the case of Belgrade, we are talking about a country with a horrible record in Bosnia. The hundreds of thousands of innocent civilians in that country could have been spared had NATO acted sooner. We are referring to a nation which slaughtered thousands of Bosnian Muslims in Srebrenica, Bosnia, when the city had been declared a safe haven by the U.N. Security Council. The inaction of the U.N. secretary general, then Boutros Boutros Ghali, to stop the carnage will go down as a day of infamy in the annals of the organisation. The innocent Bosnians and Croats who literally had their throats slit in cold blood throughout the Bosnian war might have been saved had the international community chosen to put a higher premium on human life and moral values. Serbia must be stopped from its ethnic cleansing agenda. That is what NATO is trying to accomplish in Kosovo, in order that a repetition of Serbian barbarism in Bosnia not be repeated.

Yes, NATO is intervening in the affairs of a sovereign country, because under contemporary standards, this is not only acceptable, but obligatory.

Let us all forget, in Kosovo, we are not only referring to a military and political campaign to stop the mass killing of thousands, but also to affording Kosovars an opportunity to exercise the right to self-determination to which all peoples are entitled under international law. It so happens that the right to self-determination supersedes all other rights including sovereignty rights, as long as this right is exercised peacefully and democratically.

So, all of us who shed tears over sovereignty rights and against the interventionist policy of NATO in this instance should pause a minute and consider the wider picture.

The capitals which now voice anti-NATO sentiment are the same ones which allowed this intervention to happen by standing silently aside while Bosnians, Croats and Kosovars were slaughtered not as a result of war, but in horrific cold blood.

Three cheers for NATO for trying to put moral values and human rights ahead of sovereignty rights.

## Letters to the editor

### NATO bombing and Muslim solidarity

RECENT ARTICLES in the daily press have quoted respected figures in Jordan regarding the NATO bombing of Serbian positions in Bosnia, and invariably all those interviewed have taken positions against the Western action.

I find this most confusing, particularly given the Serbian policy of "ethnic cleansing" which has taken the form of eradicating Muslims from the remnants of the Yugoslavian nation. Even more disturbing are the rumours that President Saddam Hussein and President Slobodan Milosevic have entered a pact whereby the former will provide economic assistance in exchange for the latter's military cooperation.

Aren't we confusing two separate responses to problems of vastly different origins? The Iraqi leadership signed a truce to end the Gulf War, and the agreement placed conditions upon the defeated forces to which they have not adhered. Bosnian leaders also pledged to accept the Dayton accords, and have proceeded to violate them almost before the ink was dry. In the case of Iraq, there was unity among regional states in condemning the actions taken on August 2, 1990, and unanimity in the military response. However, with the cessation of hostilities, in the perceptions of many Arab countries, President Saddam no longer presented a threat to regional stability. This despite the fact that since assum-

ing power he has almost continuously engaged his armed forces against neighbouring states.

President Milosevic, on the other hand, has implemented a deliberate programme which in other countries would be labelled as genocide, in an effort to eliminate all non-Christian and non-Serbian elements of the population. The rest of western Europe, recognising the unacceptability of such policies, and cognisant of the critical position of the Balkans during the two major wars of this century, have exhausted all diplomatic efforts in an attempt to curtail Serbian activities.

Finally, after repeatedly turning a blind eye to atrocities being committed in Kosovo, NATO was left with no choice but to respond in the only way which would gain the attention of the Serbs: military force.

Given the above realities, how in good conscience can Arab Muslims castigate the efforts to stymie Serbian aggression while apparently condoning the reasons for the NATO response? Perhaps someone more knowledgeable could explain these apparent contradictions.

William R. Ermenbach  
 Amman



## The World Mourns His Majesty King Hussein

On February 7th 1999 (Shawwal 21st 1419 H), Jordan was struck with the loss of its Hashemite leader His Majesty King Hussein Bin Talal. During his forty-seven year reign, the late King Hussein devoted his life serving his country as well as the Arab world.

The late King Hussein led by example and was a patron of peace. He was a father figure to his people, he was loved by all Jordanians and was greatly respected by leaders of the world. His death constitutes a great loss to Arabs, Muslims and humanity.

Al-Hussein's era witnessed towering achievements and progress. During His Majesty's rule, Jordan accomplished large strides in the political, social, economical, educational, medical and construction fields. The erection of factories, laboratories and buildings reflected the economic growth that underlined Al-Hussein's period. The rapid spread of schools, universities, health and social centres was unprecedented in the region.

Despite the magnitude of the loss, we are confident that the path His Majesty has paved will continue to illuminate the way for his successors.

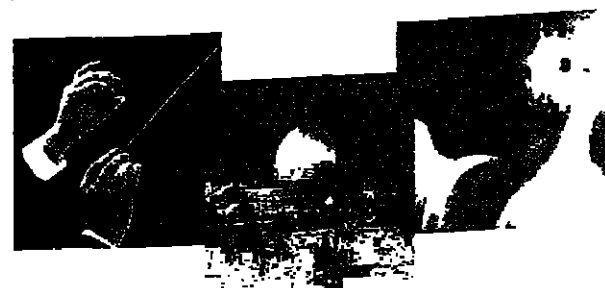
May God rest Al-Hussein's soul in peace and bless His Majesty King Abdullah and lead his endeavours to success.

ARAB BANK





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## CHAIRMAN'S MESSAGE

## DEPUTY CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present your Bank's major achievements during 1998, which are reflected in the strong financial results disclosed in the Annual Report.

Progress cannot be sustained without adaptation and renewal. Adaptation is essential, especially for Arab Bank, which may be the only financial institution based in the Arab region with a real material presence in the most important financial centres of the world. Success in an international environment requires flexibility and perseverance from the management. The pace is accelerating, sudden changes must be dealt with locally and globally.

1998 was a difficult year for the banking industry. Nevertheless, Arab Bank once again was able to demonstrate its ability to successfully manage multidimensional crises occurring simultaneously in different locations. The Bank was able to steer through the Far East crisis and reduce its banking risks. At the same time, it was dealing with sharp fluctuations in the money and capital markets of the Arab region, the United States and Europe. Unfortunately, the Arab region again had to face another difficult episode of political and military agitation due to the sanctions imposed on Iraq. The drastic decline in oil revenues, which negatively affected a wide range of businesses and economic sectors in the area aggravated the situation further.

We were deeply saddened by the death of His Majesty King Hussein, which occurred during the finalisation of the Annual Report. May Almighty God grant him mercy and forgiveness. We are confident that our beloved Jordan will continue its progress and development under the rule of His Majesty King Abdullah.

Arab Bank employs credible modern managerial concepts to advance with the challenges of change. The management has worked unceasingly to adopt new policies of centralised control that co-ordinate all activities of the Bank and, at the same time, enhance the total risk management. The Global Treasury, a new centralised unit, is being enacted along new concepts in setting objectives and budgeting. Totality in strategic planning is a priority for the management in its efforts to secure future success. The Strategic Planning Committee has investigated the influential factors that affect our markets and identified future relevant trends. Focusing on the proper utilization of capital by branches and Head Office departments will give businesses with higher returns on investment priority in the allocation of our limited resources. Accordingly, all operational units will be competing to maximize and enhance the performance of the Bank.

The High Asset Liability Management Committee has taken further steps to apply the concept of total management and control to the consolidated balance sheet. A new simulation model was acquired and is being employed. The new programme will enable the management of the Bank to forecast the impact of its decisions in the areas of asset and liability management, pricing, funding and liquidity. The Global Treasury in London has started to outline the intended global liquidity management

policy which will aim for more efficient utilization of our abundant liquidity, and consequently an enhanced return on investments. The Global Treasury will also introduce new products and services in the areas of risk hedging, on-balance sheet and off-balance sheet, for the Bank and its customers.

To excel in serving its customers, the Bank completed in 1998 a preliminary study to re-engineer the operations related to customer services. The operations of the branches will be restructured and re-designed to fit in new technologies and will be formulated in accordance with client needs. Implementation and application will be finalised in the coming three years.

In 1998, Arab Bank was able to obtain a rating from two of the most reputable rating agencies. The rating granted to Arab Bank is noteworthy in that the agencies, for the first time in their history, accepted to relax one of the most stringent rating norms, i.e., capping the rating of the financial institution by the rating of the sovereign country where it is incorporated. Arab Bank was able to pierce the ceiling of Jordan by ten notches from the first rating agency and six notches by the second. This event underlines the global nature of Arab Bank and testifies to its financial strength as well as its outstanding performance.

The financial data testify to the good success achieved during 1998. Arab Bank net income reached JOD 126.5 million compared to 107.7 million in 1997. The Group income increased to USD 223.7 million compared to USD 220.8 million the previous year. Net interest income continued to be the main source of revenue, improving by JOD 46.1 million and 20.3%. It constituted 77.0% of total revenues. Commission income came second, improving to JOD 69.3 million from JOD 63.8 million. We worked hard to supplement non-interest income by developing and creating new banking services and products in addition to the traditional banking lines. They include funds, investments, portfolio management and other similar personal banking services. We hope that the positive impact of these products will be shown in the near future.

During 1998, our continuous investments for the future increased. Total operating expenses reached JOD 188.8 million compared to JOD 165.2 million, representing an increase of JOD 23.6 million and 14.3%. This increase is reasonable when compared with the growth in the risk assets as well as the financial position in general. Controlling operating expenses remains one of the most important elements of Arab Bank policies.

In the area of balance sheet management and enhancing external sources of financing, we would like to inform you that customer deposits improved during 1998 to JOD 7,957.8 million from JOD 7,248.8 million, representing an increase of JOD 709.0 million and 9.8%. The loan portfolio improved by JOD 263.1 million, reaching JOD 4,935.5 million from JOD 4,672.4 million in the previous year. The Bank was able to maintain its traditional high liquidity. The ratio of cash and semi-cash to total assets was 53.1% at the end of 1998 compared to 51.4% at the end of the previous year.



Based on the recommendations of the Board of Directors, shareholders' equity will reach JOD 820.0 million after the approval of your Assembly, compared to JOD 720.0 million in the previous year. It is important to mention here that all requirements to increase twofold the capital of the Bank, as approved by the General Assembly on 27 March 1998, were complied with. Accordingly, the capital of the Bank presently stands at JOD 88.0 million, representing 8,800,000 outstanding shares. This is the fourth time the shareholders have been given a share dividend of one to one in addition to the cash dividend, which is distributed annually.

In accordance with paragraph B of Article 132 of the Jordanian Company Law of 1997, the term of office of the Board ended on 27 March 1998. Consequently, the General Assembly has elected a new Board of Directors. In accordance with the recommendations of the Ministry of Finance and Economy in Saudi Arabia, Mr. Ali Ben Saleh Al-Suqair has been nominated to replace Dr. Abdel Aziz Alnasrallah. At the same time, the Kuwait Investment Authority nominated Mr. Fahad Rashed Al-Ibrahim to replace Mr. Saad Alnahedh. Furthermore, Dr. Nasser Al-Rashid requested to be excused from his duties on the Board in view of his busy schedule. The General Assembly elected to replace him by Mr. Sabeih Taher Al-Masri. The remaining members were re-elected and the new Board of Directors commenced its meeting after the conclusion of the General Assembly.

I should like to take this opportunity to thank Dr. Abdel Aziz Alnasrallah, Mr. Saad Alnahedh and Dr. Nasser Al-Rashid on your behalf for the valuable services they have rendered during their membership of the Board. I would also like to welcome Mr. Ali Ben Saleh Al-Suqair, Mr. Fahad Rashed Al-Ibrahim and Mr. Sabeih Taher Al-Masri, the new members of the Board. I feel sure that the Bank will benefit from their knowledge and expertise.

during the past year to achieve these good results. I am pleased to have this opportunity to thank them for their loyalty and outstanding performance.

Finally, I trust that all of you will accept my thanks and appreciation for your unwavering support for the Bank and belief in its management.

Abdulmajeed Shoman  
Chairman, Board of Directors

Focusing on Value.

Arab Bank is a major financial institution. Our resources, however, are not unlimited. Therefore, we have to focus on the optimal utilization of our funds if we are to translate our visions into objectives and objectives into results.

As we transform our goals into reality, we work towards creating value for the shareholders, the customers and the staff. Each of these three groups is vital to us, so the outcome of our work should benefit the three groups together and ultimately the Bank itself. Our efforts to maximize the wealth of the shareholders should be in line with our substantial investments in a better standard of service for our customers while also rewarding and enhancing the qualifications of the staff.

Value added to the shareholders' investments can be ascertained by the development in several correlated measures such as growth in equity, changes in share price, or in the Bank's net income. Historical data demonstrate that we have succeeded handsomely in all measures. However, the future brings with it serious challenges. We need to take further steps to focus our capital by increasing our business in carefully selected opportunities. We must channel our equity to the lines of business in which we can best create value for the shareholders and apply financial discipline to such business. We must always be aware that our business often creates value in combination. Ideally, the whole should be greater than the sum of the individual parts.

Satisfying the changing wants and needs of our customers represents one of our most demanding tasks. We can add value for our customers by maximizing the return on their investments, providing a better service than our competitors and standing by them in the midst of turbulent financial markets. Our customers are demanding choices, flexibility and convenience. More and more customers are using an increasing range of automated services. The characteristics of our branch network are evolving as we develop complementary services through the use of telephones or personal computers, but we are, in fact, re-engineering our entire operations to reshape the whole concept of customer services at Arab Bank.



The Arab Bank staff are exceptionally loyal and have high professional standards and qualifications. Their outstanding contributions in the past have elevated the Bank to its present powerful financial position. Yet the current environment is even more testing and forces us to demand an even better performance from them. We are working harder with our staff to achieve higher returns on investment goals. We are therefore providing them with new analytical tools to increase their understanding of how to manage our capital and how to create long-term value for our shareholders. Our challenge is to create consistency in the way we relate the goals we set to the performance of the people we manage and, consequently, to the way we compensate them. As banking changes, we have to deal more and more with cross-functional projects, businesses and transfer pricing. In such an environment, a sound return on investments as well as consistency become essential.

When addressing the issue of maximizing the value of the Bank, we cannot complete the picture without taking into account total risk management and control within a specified risk framework. The policies and actions of most multinational institutions are increasingly under scrutiny. Corporate integrity is no longer assumed. It has to be proven. We, at Arab Bank, have always demonstrated the highest ethical standards. We fully understand that risks to reputation can be as significant and damaging as operational and credit risks. It is essential that the high standards to which we adhere should continue to be maintained by the whole organisation. Furthermore, we are taking steps to ensure that everyone at Arab Bank shares our corporate values.

Khalid Shoman  
Deputy Chairman, Board of Directors





# ARAB BANK

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## BOARD OF DIRECTORS' 69th ANNUAL REPORT

For the year ended 31 December 1998, submitted to the General Assembly of Shareholders at the Annual Meeting held at the Bank's Head Office Building, Shmeisani, Amman, at 10 a.m., on Friday, 26 March 1999.

### Dear Shareholders,

Arab Bank Group demonstrated in 1998 that it could continue to achieve good results under difficult and uncertain conditions. The global financial market faced a number of tests during the year, including worldwide feeble economic growth. Unstable political and economic events also negatively affected the economy of the Middle East. Despite these conditions and other challenges, the Group achieved satisfactory results during the past year.

### Business environment

Due to the consequences of the Asian financial crisis that began in 1997 and the financial turmoil in Russia, world economic growth was pulled down to 2.2% in 1998. The collapse of domestic demand in crisis countries plus a general weakness in export market growth led to reduced demand for oil and commodities.

In the United States, where economic growth and job creation continued to outpace industry forecasts, the GDP grew by 3.9% in 1998. Although business investment fell, personal consumption remained strong. Output exceeded the estimated level of potential output, and inflation was moderate.

Output in Southeast Asia continued to decline in 1998, and as a result layoffs, bankruptcies and political tensions mounted. By the end of 1998, however, Southeast Asia's economies finally started showing signs of life. Asian currencies stabilized, foreign reserves increased and interest rates were down. A full-fledged recovery in Asia, however, remains many months away.

The economic situation in Japan had deteriorated severely, even before it was affected by the crisis in Asia. Japan's economy remained weak in 1998, as the Asian crisis impacted export market growth. The GDP shrank by 1.8% in 1998 and the economy slipped deeper into recession. Consequently, the government announced a Japanese Yen 24 trillion (USD 198 billion) fiscal stimulus, including public spending, tax cuts and government loans, late in 1998. At the end of March 1998, the European Commission in its Convergence Report recommended eleven countries to participate in the European Monetary Union (EMU) as of January 1999. All met the necessary conditions to adopt the single currency, the Euro. The new Euro-zone will account for 19.4% of world GDP and 18.6% of world trade.

The sharp decline in oil prices since autumn 1997 presented obvious macroeconomic challenges to the Arab oil-exporting countries and - via its impact on remittances, trade and investment - also to the other Arab countries. However, the governments in the Arab world responded to the 1998 oil price drop more effectively than when oil prices had fallen in the past. They have moved quickly to cut future

budget obligations while ensuring the timely payment of their commitments.

### Financial results

The Group enhanced its earning power by a pre-designed growth in risk assets and an expansion in banking services and products. At the same time the costs of funds were maintained at a competitive level. The management also succeeded in holding the operating expenses close to budget. Effectiveness and efficiency ratios remained superior to those of other banks.

Arab Bank Group total revenues for 1998 reached USD 615.5 million and operating expenses were confined to USD 317.2 million compared to USD 577.5 million for revenues and USD 282.3 million for operating expenses in the previous year.

Net income after tax improved to USD 223.7 million compared to USD 220.8 million in the previous year, representing an increase of USD 2.9 million or 1.3%. Net income to average shareholders' equity ratio was 13.5% at the end of 1998. The limited growth in net income was the result of the end of the five-year tax holiday for the Bank in Saudi Arabia as well as a weaker performance by our subsidiaries. The earning power of Arab Bank Plc itself was enhanced significantly, achieving 17.5% growth in net income, which reached JOD 126.5 million in comparison to JOD 107.7 million in the previous year.

### Shareholders' equity and appropriation of net income

Arab Bank completed the capital split in 1998. The number of shares was increased to 8,800,000 compared to 4,400,000 before the split.

The Board of Directors proposes to the General Assembly the appropriation of Arab Bank Plc net income as follows:

	JOD ('000)
Net income available for appropriation	126,455
Proposed appropriation:	
To statutory reserve	17,000
To voluntary reserve	33,000
To general reserve	50,000
Proposed cash dividends	26,400
Directors' remunerations	55
Total appropriation	126,455

Accordingly, the dividends for Arab Bank Plc is JOD 3.0 per share, representing 30% of the nominal value of the share. The Bank will deduct from the dividends 10% withholding tax, which will be paid directly to the tax department. The net dividends after withholding tax will be JOD 2.7. The dividends that will be distributed by Arab Bank (Switzerland) will be announced separately.

After approval by the General Assembly of the proposed appropriation, total shareholders' equity of the Group will be USD 1,754.1 million compared to USD 1,570.9 million at the end of 1997. This means that shareholders' equity improved by USD 183.2 million and 11.7%.

The following statement contains the comparative figures of the shareholders' equity components in the Group balance sheet for 1998 and 1997:

	1998 USD ('000)	1997 USD ('000)
Capital	146,937	84,897
Statutory reserve	104,392	79,532
Voluntary reserve	246,706	258,325
General reserve	935,854	853,487
Reserves with associated companies	363,970	343,234
Retained earnings	2,245	2,220
Total	1,800,104	1,621,695
Translation adjustments	(46,048)	(50,751)
Total shareholders' equity	1,754,056	1,570,944

The price of Arab Bank Plc share in the Amman Stock Market was JOD 214.0 at the end of 1998, the equivalent of USD 302.0 compared to USD 229.0, after adjusting the figures to nullify the impact of the capital split. Accordingly, the price-earning ratio was 11.9 compared to 9.1 at the end of 1997.

### Bank services and administration

Arab Bank management continued its drive to complement its services and products in response to the demands of its customers. Special attention was given in 1998 to the preparation for the Euro conversion, the plans for the re-engineering of customer services and the introduction of several investment funds. The Bank's efforts in service and product development underline Arab Bank's commitment to stand by its customers and provide them with the most up-to-date banking facilities.

### Staff

Throughout the history of Arab Bank, the employees' dedication, loyalty and perseverance have proven to be a hidden source of power. Arab Bank management endeavours to select the most qualified personnel. This policy is recognized to be one of the main ingredients of the Bank's success in the financial service sector. Arab Bank is committed to provide the means needed for continuous human resource development. The employee training programmes in the future will ensure a dynamic development at all levels. Emphasis is being given to managerial skills and specialized customer services to ensure proper quality performance. Training with specialized institutions and correspondent banks will also be encouraged to advance cross-cultural communication and modernisation.

### Customer services

The Bank worked hard to meet the needs of its customers in a simple and direct manner. A full line of useful products in investment funds and portfolio management is being introduced to supplement our existing services. In the preparation for the launching of the Euro, the Bank adjusted its systems to transfer its customer accounts, assets and obligations to the benefit of its customers at no extra cost. New Euro products are being introduced in the area of deposits and investments. Utilizing the services of a specialized consultant, the management worked to redesign several customer service operations. Additional human resources and information technologies are being incorporated to transform the re-engineering projects into reality.

### Outlook for 1999

Arab Bank will continue to work towards the fulfilment of its main objectives, namely excellence in customer services, the enhancement of shareholders' equity and a positive contribution to the welfare of the communities where the Bank operates. New planning and budgeting concepts will be incorporated to secure the successful implementation of our strategic plans.

The targeted growth in the balance sheet for 1999 will be driven by the investment needs of the Bank and the capital adequacy requirements.

Staff training programmes will continue in the coming year. The Bank aims to prepare the staff to give clients the best possible advice on the intended new services and products as well as to enhance staff performance in general.

Arab Bank plans to introduce several investment funds and portfolio management products. A new comprehensive Euro investment portfolio will also be introduced, offering individually designed portfolios with an especially conservative approach, a balanced outlook, an emphasis on growth or an intrinsically aggressive approach.

In 1999, net income of Arab Bank Plc is expected to increase by 10%. Arab Bank Group net income is forecast to improve by 8%. Accordingly, Arab Bank Plc net income is projected at JOD 139.0 million and the Group's net income at USD 241.0 million.

We would like to express our appreciation to our clients for entrusting us with their business, the shareholders for their unfailing support to the Board and the management and staff for their hard work and dedication.

### The Board of Directors

## FINANCIAL REVIEW

This section contains the analysis of the Group's results of operations as well as its financial position. The financial statements, which are also included in this report, are presented in US Dollars after the translation of all the Group members' financial statements into US Dollars, which is the functional and reporting currency of the Group. Arab Bank Plc and Arab Bank (Switzerland) constitute around 90% of the total assets of the Group. The reporting currencies of the two entities are the Jordanian Dinar and the Swiss Franc, respectively. The average exchange rate of the Jordanian Dinar has been pegged to the US Dollar at 0.709 since 1995. The Swiss Franc exchange rate was 1.3815 at the end of 1998 and 1.4540 at the end of 1997.

### Results of operations

#### Overview

In 1998, the Group achieved a satisfactory financial performance. Net income after tax reached USD 223.7 million while total revenue increased to USD 615.5 million from USD 577.5 million. Net income per share (on the

basis of Arab Bank Plc common shares of 8,800,000) recorded USD 25.4 per share.

### Interest and commission income

The Group realised a good increase in net interest and commission income, representing 9.1% over 1997. The low level of interest rates along with the Central Bank of Jordan's requirement of a 14% interest-free statutory reserve on deposits in foreign currencies depressed the interest numbers. Comparative figures for interest income are presented in the following table:

	1998	1997	Variance	
	In USD million	In USD million	%	
Interest and commission income	1,452.2	1,355.9	96.3	7.1
Interest and commission expenses	862.9	815.9	47.0	5.8
Net interest and commission	589.3	540.0	49.3	9.1

Interest income to total assets was 7.2% in 1998 compared to 7.4% in 1997. On the other hand, the ratio of the net interest and commission income to total assets was 3.2%, the same level as in 1997.

### Revenue from foreign exchange trading

The revenue from foreign exchange trading improved significantly to USD 44.2 million from USD 25.6 million in 1997, as the Group's customers and its owned entities benefited from the favourable foreign exchange trading conditions in 1998. The foreign exchange trading positions which are opened as part of the Group's activities are liquidated on a daily basis. Exceptions in extraordinary circumstances are limited to small amounts and are closely controlled by higher levels of management.

### Other revenues

Other revenues declined to USD 42.5 million from USD 57.7 million in 1997. The decrease of USD 15.2 million or 26.4% from the previous year was the result of the limited income from trading in securities during 1998. Other revenues also included revenues from leased premises, services to clients and several other items of a non-recurring nature.

### Revenue-related expenses

In 1998 specific and general provisions for doubtful debts and investments reached USD 60.5 million compared to USD 45.9 million in the previous year, representing an increase of USD 14.6 million.

### Operating expenses

Total operating expenses increased to USD 317.2 million from USD 282.3 million. In spite of the increase of USD 34.9 million or 12.4% in operating expenses, this only represented 51.5% of total revenue which compares favourably with other similar financial institutions. The following table contains a detailed comparative analysis of operating expenses:

	1998	1997	Variance	
	In USD million	In USD million	%	
Staff	168.9	155.2	13.7	8.8
Information system	24.0	19.9	4.1	20.6
Depreciation	23.1	19.8	3.3	16.7
Other operating expenses	101.2	87.4	13.8	15.8
Total	317.2	282.3	34.9	12.4



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## BOARD OF DIRECTORS' 69TH ANNUAL REPORT

A careful examination of the components of the profit and loss account shows that the increase in operating expenses was highly correlated with the growth of revenues.

### Net income and income tax

The following table depicts the changes in net income and income tax:

	1998	1997	Variance	
	In USD million		%	
Net income before tax	298.3	295.2	3.1	1.0
Income tax	74.6	74.4	0.2	0.2
Net income after tax	223.7	220.8	2.9	1.3

Net income after tax in 1998 improved by USD 2.9 million to reach USD 223.7 million, representing an increase of 1.3%. Income tax remained at the same level as in 1997. It mainly represents income tax relating to Arab Bank Plc, its sister institution and subsidiaries. It does not include taxes paid in affiliated companies, which increased substantially as a result of the end of the five-year fiscal tax holiday in Saudi Arabia. Net income represented 36.3% of total revenue in comparison to 38.2% in 1997. Net income to shareholders' equity declined to 12.8% from 14.1% in the previous year. Net income to total assets changed to 1.2% in 1998 from 1.3% in 1997.

### Financial position

The management of the Group always aims to maintain simultaneously high liquidity, prime quality assets and solid equity. The Group's conservative asset liability management policy has served it well during the difficult times in the past 69 years of its history.

### Liquidity management

The liquidity management policy of Arab Bank Group is an important element of its strategic orientation. Liquidity is defined as the ability to meet near-term and projected long-term funding commitments, while supporting future expansion in a manner consistent with the Bank's strategic plans. Arab Bank Group maintains higher liquidity than the acceptable norm of the banking industry. This high liquidity enables the Group to survive in the extraordinarily unstable political environment of the Middle East. For liquidity management

purposes, the Group is divided into several regional centres. Each centre is responsible for the operating units in its area and has its own funding and liquidity plans in accordance with the policies of the Group management. Liquidity is managed and monitored on a daily basis by the treasurer and the manager. Asset Liability Management Committees in the centres co-ordinate liquidity positions on a weekly basis. At Head Office, the High Asset Liability Management Committee monitors and supervises the liquidity position of the Bank on a monthly basis. Strategies and adjustments of policies are effected quarterly. The High Asset Liability Management Committee is planning to implement a system of integrated liquidity management.

Prudent liquidity analysis at all levels includes dividing the assets and liabilities into different maturity bands. It also includes analysis of the sources of funds, their stability and cost. The following table gives a comparative analysis of the liquid assets of the Group:

	1998	1997	Variance	
	In USD million		%	
Cash and banks	6,163.1	5,639.8	523.3	9.3
Government securities	1,121.6	1,049.9	71.7	6.8
Trading securities	129.0	182.0	(53.0)	(29.1)
Marketable investment securities	1,481.3	1,192.2	289.1	24.2
Total	8,895.0	8,063.9	831.1	10.3

Liquid assets increased by 10.3%. Most of the increase was due to the placement with banks. It should also be noted that most of the liquid assets mature within three months.

The external sources of funds at the end of 1998 and 1997 are presented below:

	1998	1997	Variance	
	In USD million		%	
Customer deposits	12,067.1	11,117.3	949.8	8.5
Bank deposits	3,461.8	3,218.2	243.6	7.6
Total	15,528.9	14,335.5	1,193.4	8.3

Customer deposits are composed of stable funds that have remained with the Bank for continuous and steady periods. Core deposits are estimated at 80%.

The following table gives some liquidity ratio

measures for the Group at the end of 1998 and 1997:

	1998	1997	
	%	%	
Cash and quasi-cash to total external funds	57.3	56.3	
Cash and quasi-cash to total assets	48.5	48.0	
Customer deposits to loan portfolio	145.7	146.7	
Customer deposits to total assets	65.8	66.1	

### Credit management

Arab Bank Group's conservative credit policy is a key element in its success. Time and again, its balanced and well planned credit-granting philosophy and system have distinguished Arab Bank from others. To manage balance sheet and off-balance sheet exposure, the Group risk control process is applied globally. Responsibilities for credit risks are shared between line units and Head Office. The branches and subsidiaries have a primary responsibility to evaluate credit risks and ensure that each individual credit exposure is soundly controlled and managed. The line manager has the authority to grant credit up to a certain pre-determined amount. At Head Office, the decisions related to credit are handled by committees at three different levels:

- Credit department committee
- Credit management committee
- Senior authority committee.

Risk assets are divided into three different groups: Jordan, Arab countries and International. Each area is controlled by a specialized credit department. The Deputy President for credit coordinates and supervises the three credit departments and heads the credit management committee. The senior authority committee is chaired by the Chief Executive and includes the President, the Deputy President and the three heads of the credit departments.

### Development of loan portfolio

Loans and advances net of provisions grew by USD 703.5 million, representing an increase of 9.3%, to reach USD 8,282.0 million at the end of 1998. The off-balance sheet exposure decreased by USD 38.5 million or 0.7%, thus limiting the growth of the total credit risk of the Group to 5.0%. The following table contains comparative data for the Group credit risk in 1998 and 1997:

	1998	1997	Variance	
	In USD million		%	
Loan portfolio, net	8,282.0	7,578.5	703.5	9.3
Off-balance sheet				
- Acceptances	330.7	378.3	(47.6)	(12.6)
- Letters of credit	985.0	1,167.1	(182.1)	(15.6)
- Letters of guarantee	3,019.0	2,885.3	133.7	4.6
- Undrawn loans	1,321.2	1,263.7	57.5	4.6
Total off-balance sheet	5,655.9	5,694.4	(38.5)	(0.7)
Total exposure	13,937.9	13,272.9	665.0	5.0

Loans and advances constituted 45.2% of total assets in 1998 compared to 45.1% at the end of the previous year. They also represented 4.7 times the shareholders' equity compared to 4.8 times at the end of 1997.

### Provision for doubtful debts

The provisions for doubtful debts are determined by the evaluation of individual credits and changes in the quality of the credit portfolio, levels of non-accrual loans, economic conditions, changes in size and character of credit risks and other related factors. Risk assets are classified according to their quality into six groups: current, watchlist, special mention, sub-standard, doubtful and loss. Credits with serious degrees of classification are reviewed by Head Office on a quarterly basis. The credit portfolio is reviewed semi-annually in order to assess sufficient provisions. Levels and amounts of provisions are also examined in the light of the monetary authorities' guidelines as well as studies undertaken by the external auditors. The Group ceases to accrue interest on doubtful debts as soon as they are classified as such. Arab Bank Group's provisioning policies are stricter than the industry norms and monetary authorities' guidelines. Balances of credit risk provisions are presented in the following table:

	1998	1997	Variance	
	In USD million		%	
Provisions	423.0	413.8	9.2	2.2
Interest in suspense	88.1	81.3	6.8	8.4
Total	511.1	495.1	16.0	3.2

Parallel to increasing the volume of provisions, the Group also succeeded in 1998 in maintaining its normally high asset quality.

### Interest rate risk management

The Group seeks to minimize the negative impact on net income of adverse movements in interest rates. The Group manages its interest rate risks in accordance with the policies and limits established by the Head Office of the Bank. The Asset Liability Management Committees in the centres as well as the treasurers handle the day-to-day management of interest rate risks. The High Asset Liability Management Committee at Head Office deals with strategic positions and policies.

Arab Bank Group also takes a conservative approach in its interest rate risk management, in general matching the maturity of its assets and liabilities. The Group trading and dealing in interest rate derivatives is mostly limited to capping its mismatch positions.

A summary of the Group maturity position as of 31 December 1998 is presented in the following table:

	Within 3 months	After 3 months and before 6 months	After 6 months and before 12 months	After 12 months	Total
Assets	11,547.0	2,908.1	1,640.4	2,244.5	18,340.0
Liabilities	10,749.7	2,361.6	2,649.8	2,578.9	18,340.0
Net position	797.3	546.5	(1,009.4)	(334.4)	-

The impact of interest rate risk management as well as other dimensions of risk supervision are reflected in the net interest and commission in the Group's financial results. Net interest and commission to average total assets of the Group for 1998 and 1997 are presented below:

	1998	1997	Variance	
	In USD million		%	
Net interest and commission	589.3	540.0	49.3	9.1
Average total assets	17,574.2	16,355.9	1,218.3	7.4
Net interest and commission to average total assets	3.4%	3.3%	-	-

From the above, it can be observed that net interest and commission to average total assets improved to 3.4% in 1998 from 3.3% the year before.

### Capital management

Shareholders' equity along with other components of capital form the main source of the earning power of commercial banks. The capital base determines the size, structure and risk components of the balance sheet. Regulatory authorities, in conformity with the BIS rules, have harmonised capital adequacy requirements worldwide.

The Chief Executive and the High Asset Liability Management Committee are in charge of capital management at Head Office. The Group's capital management policies aim to provide the shareholders with a good return on equity without exposing the institution to unwarranted risks. The solid capital base coupled with high liquidity underlines the extraordinary financial strength of Arab Bank Group.

In accordance with Arab Bank Group policies, capitalisation of retained income represents the main source of growth in shareholders' equity. Consequently, the Group has to confine the cash dividends distributed to the shareholders within certain limits on the one hand while constantly improving its profitability on the other hand.

The continuous development of equity also aims to meet the growing needs of the branches and subsidiaries. At the end of 1998, total shareholders' equity attained USD 1,754.1 million, representing an improvement of 11.7% over the previous year's figures. It amounted to 10.0% of average total assets compared to 9.6% in 1997. The Group capital adequacy ratio according to the BIS rules was 16.84% at the end of 1998 compared to 16.28% at the end of the previous year.

### ARAB BANK PLC GENERAL ASSEMBLY AGENDA

The following are the items on the agenda of the Annual Ordinary General Assembly and the Extraordinary General Assembly to be held on 26 March 1999:

#### First: Annual Ordinary General Assembly:

1. Presentation and adoption of the Minutes of the previous 68th meeting of the General Assembly.
2. Presentation of the report of the Board of Directors for the year 1998 and outlook for 1999.
3. Presentation of the auditors' report on the financial statements of the Bank for the financial year 1998.
4. Presentation and approval of the financial statements of the Bank for the year 1998 and adoption of the recommendation of the Board of Directors to distribute a dividend for the year 1998 at the rate of JOD 3.0 per share, being 30% of the nominal value of JOD 10.0 per share.
5. Release of the members of the Board of Directors from liability for the year 1998.
6. Election of the Bank's auditors for the year 1999 and determination of their remuneration.
7. Approval of the appointment of Saba & Co. as the Bank's external auditors for Lebanon branches for a three-year period starting 1 January 1999, in conformity with Article (189) of the Lebanese Monetary and Credit Law.
8. Other issues.

#### Second: Extraordinary General Assembly

1. Amendment of Article 25 of the Articles of Incorporation and By-Laws to read as follows:  
"The company, upon the approval of the Extraordinary General Assembly, can issue convertible bonds on the basis of the recommendations of the Board of Directors and in accordance with the law."

This is in replacement of the original text, which stated:

"The company upon the approval of the Extraordinary General Assembly can issue nominal and marketable bonds in accordance with the conditions and terms recommended by the Board of Directors provided that the total value of the bonds does not exceed the capital of the company. Subscription and records should be performed in accordance with the law."

2. Amendment of Item 7 of Paragraph D of Article 55 of the Articles of Incorporation and By-Laws to read as follows:

"7 - To issue convertible bonds."

This is in replacement of the original text, which stated:

"7 - To issue bonds."





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## BALANCE SHEET AS OF 31 DECEMBER 1998 AND 1997

	1998 US\$ ('000)	1997 US\$ ('000)
<b>Assets</b>		
Cash and due from banks	4 460 703	3 664 933
Funds with central banks	1 702 350	1 974 840
Government securities	1 121 633	1 049 930
Trading securities	129 001	181 990
Loans and advances, net	8 282 017	7 578 519
Long-term investments, net	2 029 112	1 733 118
Fixed assets, net	175 929	141 621
Other assets	439 320	483 433
<b>Total Assets</b>	<b>18 340 065</b>	<b>16 808 384</b>
Customers' liability on guarantees, letters of credit and other contingencies	5 655 864	5 694 439
<b>Total</b>	<b>23 995 929</b>	<b>22 502 823</b>

	1998 US\$ ('000)	1997 US\$ ('000)
<b>Liabilities and Shareholders' Equity</b>		
Customer deposits	12 067 138	11 117 254
Bank deposits	3 461 807	3 218 230
Provisions	328 333	347 079
Proposed dividends and remunerations	45 274	32 552
Other liabilities	650 042	490 228
<b>Total Liabilities</b>	<b>16 552 594</b>	<b>15 205 343</b>
<b>Minority interest</b>	<b>33 415</b>	<b>32 097</b>
Capital	146 937	84 897
Statutory reserve	104 392	79 532
Voluntary reserve	246 706	258 325
General reserve	935 854	853 487
Reserves with associated companies	363 970	343 234
Retained earnings	2 245	2 220
<b>Total</b>	<b>1 800 104</b>	<b>1 621 695</b>
Translation adjustments	(46 048)	(50 751)
<b>Total Shareholders' Equity</b>	<b>1 754 056</b>	<b>1 570 944</b>
<b>Total liabilities, Minority Interest and Shareholders' Equity</b>	<b>18 340 065</b>	<b>16 808 384</b>
Guarantees, letters of credit and other contingencies	5 655 864	5 694 439
<b>Total</b>	<b>23 995 929</b>	<b>22 502 823</b>

Income Statement for the years ended  
31 December 1998 and 1997

	1998 US\$ ('000)	1997 US\$ ('000)
Interest income	1 327 925	1 244 348
Commission income	124 297	111 536
Less: Interest expense	857 870	811 998
Commission expense	4 990	3 854
<b>Net interest and commission</b>	<b>589 362</b>	<b>540 032</b>
Less: Provision for doubtful debts and investments	60 538	45 870
<b>Net interest and commission after provision</b>	<b>528 824</b>	<b>494 162</b>
Plus: Foreign exchange trading	44 202	25 624
Other income	42 461	57 726
	<b>615 487</b>	<b>577 512</b>
Less: General and administrative expenses	317 212	282 311
<b>Net income before tax</b>	<b>298 275</b>	<b>295 201</b>
Income tax	74 592	74 429
<b>Net income</b>	<b>223 683</b>	<b>220 772</b>
<b>Appropriation:-</b>		
Net income	223 683	220 772
Retained earnings brought forward	2 220	483
<b>Total</b>	<b>225 903</b>	<b>221 255</b>
To statutory reserve	24 860	766
To voluntary reserve	50 421	39 489
To general reserve	82 367	114 861
To reserves with associated companies	20 736	31 367
Proposed cash dividends	45 196	32 474
Directors' remunerations	78	78
Retained earnings carried forward	2 245	2 220
<b>Total appropriation</b>	<b>225 903</b>	<b>221 255</b>

## Sister, Subsidiary &amp; Associated Companies

Arab Bank Group	Percentage of Ownership
Arab Bank (Switzerland) -Zurich, Geneva <small>OWNED BY ARAB BANK SHAREHOLDERS</small>	100%
Arab Bank Australia Ltd. -Sydney	100%
Arab Bank (Austria) AG -Vienna	100%
Arab Bank AG - Frankfurt	100%
Islamic International Arab Bank - Amman	100%
Arab Tunisian Bank-Tunis	64.2%
Arab Palestinian Investment Bank - Ramallah	55%
Oman Arab Bank - Oman	49%
Arab National Bank-Saudi Arabia	40%
Arabia Insurance Co. Lebanon	36.6%
Egyptian Financial Group For Portfolio Management	33%
Commercial Building Co. Lebanon	30%


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**BALANCE SHEET AS OF 31 DECEMBER 1998 AND 1997**

	1998 JD ('000)	1997 JD ('000)
<b>Assets</b>		
Cash and due from banks	3 330 658	2 704 365
Funds with central banks	1 158 150	1 334 142
Government securities	783 632	719 186
Trading securities	2 939	27 872
Loans and advances, net	4 935 546	4 672 390
Long-term investments, net	1 174 676	927 516
Fixed assets, net	93 781	81 362
Other assets	264 068	294 242
<b>Total Assets</b>	<b>11 743 450</b>	<b>10 761 075</b>
Customers' liability on guarantees, letters of credit and other contingencies	3 713 352	3 628 620
<b>Total</b>	<b>15 456 802</b>	<b>14 389 695</b>

	1998 JD ('000)	1997 JD ('000)
<b>Liabilities and Shareholders' Equity</b>		
Customer deposits	7 957 757	7 248 760
Bank deposits	2 454 212	2 381 241
Provisions	143 626	141 610
Proposed dividends and remunerations	26 455	17 655
Other liabilities	341 400	251 809
<b>Total Liabilities</b>	<b>10 923 450</b>	<b>10 041 075</b>
Capital	88 000	44 000
Statutory reserve	61 000	44 000
Voluntary reserve	159 000	170 000
General reserve	512 000	462 000
<b>Total Shareholders' Equity</b>	<b>820 000</b>	<b>720 000</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>11 743 450</b>	<b>10 761 075</b>
Guarantees, letters of credit and other contingencies	3 713 352	3 628 620
<b>Total</b>	<b>15 456 802</b>	<b>14 389 695</b>

**Income Statement for the years ended  
31 December 1998 and 1997**

	1998 JD ('000)	1997 JD ('000)
Interest income	806 172	733 202
Commission income	69 336	63 799
Less: Interest expense	532 748	505 949
Commission expense	2 979	2 155
<b>Net interest and commission</b>	<b>339 781</b>	<b>288 897</b>
Less: Provision for doubtful debts and investments	32 873	25 268
<b>Net interest and commission after provision</b>	<b>306 908</b>	<b>263 629</b>
Plus: Foreign exchange trading	24 071	10 764
Other income	24 061	36 446
	<b>355 040</b>	<b>310 839</b>
Less: General and administrative expenses	188 770	165 192
<b>Net income before tax</b>	<b>166 270</b>	<b>145 647</b>
Income tax	39 815	37 992
<b>Net income</b>	<b>126 455</b>	<b>107 655</b>
<b>Appropriation:</b>		
To statutory reserve	17 000	-
To voluntary reserve	33 000	28 000
To general reserve	50 000	62 000
Directors' remunerations	55	55
Proposed cash dividends	26,400	17 600
<b>Total Appropriation</b>	<b>126 455</b>	<b>107 655</b>

**Cash Flow Statement for the years ended  
31 December 1998 and 1997**

	1998 JD ('000)	1997 JD ('000)
<b>Cash flow from operating activities:</b>		
Interest and commission received	897,848	835 810
Interest and commission paid	(529 227)	(498 701)
General and administrative expenses paid	(175 186)	(154 320)
<b>Net cash provided from (used in) operations before changes in assets and liabilities</b>	<b>193 435</b>	<b>182 789</b>
<b>(Increase) decrease in assets:</b>		
Loans and advances	(268 046)	(532 087)
Trading securities	24 933	(3 883)
Other assets	55 966	(87 753)
<b>Increase (decrease) in liabilities:</b>		
Customer deposits	708 997	439 741
Bank deposits	72 971	(108 275)
Other liabilities	57 015	(5 899)
<b>Net cash provided from (used in) operations before income tax</b>	<b>845 271</b>	<b>(115 367)</b>
Income tax paid	(37 992)	(40 495)
<b>Net cash provided from (used in) operations</b>	<b>807 279</b>	<b>(155 862)</b>
<b>Cash flow from investing activities:</b>		
(Purchase) sale of fixed assets	(26 003)	(35 614)
(Purchase) sale of long-term investments	(248 874)	(201 621)
(Purchase) sale of government securities	(64 446)	(3 193)
<b>Net cash provided from (used in) investing activities</b>	<b>(339 323)</b>	<b>(240 428)</b>
<b>Cash flow from financing activities:</b>		
Dividends paid to shareholders	(17 655)	(17 655)
<b>Net cash provided from (used in) financing activities</b>	<b>(17 655)</b>	<b>(17 655)</b>
<b>Net increase (decrease) in cash</b>	<b>450 301</b>	<b>(413 945)</b>
<b>Cash and cash equivalent at beginning of year</b>	<b>4 038 507</b>	<b>4 452 452</b>
<b>Cash and cash equivalent at end of year</b>	<b>4 488 808</b>	<b>4 038 507</b>

**Conversion rates of foreign currencies against the Jordanian Dinar for consolidation purposes**

Currency	End 1998	End 1997
Bahraini Dinar	0.532	0.532
Cyprus Pound	0.703	0.741
French Franc	7.943	8.439
Greek Drachma	398.424	398.480
Italian Lire	2,346.040	2 480.160
Korean Won	1,703.000	1 995.430
Lebanese Pound	2,126.280	2 153.070

Currency	End 1998	End 1997
Moroccan Dirham	13.010	-
Pound Sterling	0.847	0.850
Qatari Riyal	5.130	5.130
Spanish Peseta	200.309	213.900
U.A.E. Dirham	5.180	5.180
U.S. Dollar	1.410	1.410
Yemeni Riyal	199.850	184.230





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### BALANCE SHEET OF JORDAN BRANCHES AS OF 31 DECEMBER 1998 AND 1997

Assets	1998 JD	1997 JD
Cash and due from Banks	1 176 960 213	1 038 932 072
Funds with Central Bank of Jordan	659 949 547	782 240 464
Government Securities	71 244 438	31 631 408
Loans and Advances, net	834 418 464	848 082 488
Marketable Securities, net	84 974 698	56 129 749
Fixed Assets, net	20 085 275	19 550 313
Other Assets	108 267 971	111 737 929
<b>Total</b>	<b>2 955 900 606</b>	<b>2 888 304 423</b>

Liabilities & Shareholders' Equity	1998 JD	1997 JD
Customers' Deposits	2 414 390 630	2 259 619 826
Banks' Deposits	107 591 782	204 401 633
Borrowed Funds	159 836	129 960
Cash Margins	148 331 436	162 688 913
Provisions	25 361 703	19 446 945
Other Liabilities	107 293 953	123 454 588
<b>Total Liabilities</b>	<b>2 803 129 340</b>	<b>2 769 741 865</b>
Capital	88 000 000	44 000 000
Statutory Reserve	12 551 440	8 441 527
Voluntary Reserve	8 219 826	44 000 000
General Reserve	44 000 000	22 121 031
<b>Total Shareholders' Equity</b>	<b>152 771 266</b>	<b>118 562 558</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2 955 900 606</b>	<b>2 888 304 423</b>

### Profit and Loss Statement for the years ended 31 December 1998 and 1997

	1998 JD	1997 JD
<b>Revenue</b>		
Interest income	200 681 794	199 606 261
Commission income	18 737 238	18 689 470
<b>Less:</b>		
Interest expense	134 023 841	141 137 489
Commission expense	496 561	369 318
<b>Net interest &amp; Commission</b>	<b>84 898 630</b>	<b>76 788 924</b>
<b>Plus:</b>		
<b>Income from:</b>		
Securities Portfolio	973 742	765 407
Foreign Exchange Trading	1 073 342	1 912 192
Other income	2 582 250	1 945 344
<b>Less:</b>		
Provisions for Loans & Advances	1 899 643	(2 102 732)
Provisions for Share Losses	1 400 000	1 500 000
Loan losses	23 819	292 549
General and Administrative Expenses	45 105 373	41 823 519
Amortisation of International Islamic Arab Bank fees	-	3 250 000
<b>Income Before Tax</b>	<b>41 099 129</b>	<b>36 648 531</b>
Income Tax	(15 400 000)	(16 188 000)
<b>Net income</b>	<b>25 699 129</b>	<b>20 460 531</b>
<b>Appropriations :-</b>		
To Statutory Reserve	4 109 913	-
To Voluntary Reserve	8 219 826	-
To General Reserve	1 878 969	3 887 561
To Universities Fees	410 991	366 485
To Provision for Scientific Research	410 991	366 485
Profit Transferred to H.O.	10 668 439	15 840 000
<b>Total</b>	<b>25 699 129</b>	<b>20 460 531</b>

### Cash Flow Statement for the years ended 31 December 1998 and 1997

	1998 JD	1997 JD
<b>Cash flow from operating activities</b>		
Interest and commission received	223 682 771	219 305 766
Interest and income paid	(136 165 762)	(141 522 851)
General and administrative expenses paid	(42 538 216)	(43 045 950)
<b>Cash flow from (used in) operations</b>		
before changes in assets and liabilities	44 978 793	34 736 965
(Increase) decrease in assets		
Loans and advances	(27 820 180)	10 500 467
Other assets	2 705 738	(94 393 940)
<b>Increase (decrease) in liabilities</b>		
Current and demand deposits	21 975 395	24 023 955
Savings and time deposits	132 795 409	100 982 904
Bank deposits	(96 809 851)	(34 810 255)
Cash margin	(14 357 477)	28 355 116
Other liabilities	18 108 286	11 578 475
Other provisions	-	(425 292)
<b>Net cash flow from (used in) operations before tax</b>	<b>81 576 113</b>	<b>80 548 395</b>
Income taxes paid	(15 000 000)	(24 095 590)
<b>Net cash flow from (used in) operations activities</b>	<b>66 576 113</b>	<b>56 452 805</b>
<b>Cash flow from investing activities</b>		
(Purchase) of fixed assets	(2 812 441)	(2 327 356)
(Purchase) of investment securities	(30 244 949)	(26 595 090)
Sale of government securities	(39 613 030)	(2 119 710)
Dividends received	941 655	758 956
<b>Net cash flow from (used in) investment activities</b>	<b>(71 728 765)</b>	<b>(30 283 200)</b>
<b>Cash flow from financing activities:</b>		
Borrowed funds from Central Bank of Jordan	29 876	40 240
Profit transferred to H.O.	(15 840 000)	(12 895 462)
Voluntary Reserve	-	9 820 735
General Reserve	20 000 000	10 179 265
Emergency Reserve	16 700 000	-
<b>Net cash flow from (used in) financing activities</b>	<b>20 889 876</b>	<b>7 144 778</b>
<b>Net increase (decrease) in cash</b>	<b>15 737 224</b>	<b>33 314 383</b>
<b>Cash at beginning of the year</b>	<b>1 821 172 536</b>	<b>1 787 858 153</b>
<b>Cash at end of the year</b>	<b>1 836 909 760</b>	<b>1 821 172 536</b>

### AUDITORS' REPORT

To the Shareholders of Arab Bank Plc.  
Amman - Jordan

We have audited the accompanying balance sheet of Arab Bank Plc (a Jordanian Public Shareholding Limited Company) as of 31 December 1998 and 1997 and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank maintains proper accounting records which are in agreement with the accompanying financial statements and with the financial information included in the Board of Directors' Report.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Arab Bank Plc as of 31 December 1998 and 1997 and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards, and we recommend that the General Assembly approve these financial statements.

Amman - Jordan  
30 January 1999

Saba & Co.



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## Features

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## U.S. activist sees new opportunity for peace

Cora Weiss wants the four 'Rs' — reading, writing, arithmetic and reconciliation — taught in every school around the world

By Grant McCool  
Reuters

NEW YORK — Longtime U.S. activist Cora Weiss, irreplaceable after four decades of anti-war campaigning as conflicts raged around the world, is leading a peace movement with a broad, idealistic agenda to abolish war and weapons in the 21st century.

Weiss, best known for her opposition to nuclear weapons and the Vietnam War, has helped revive a 100-year-old movement, renamed the Hague Appeal for Peace, focused on disarmament, international law and the search for ways to prevent wars.

After the movement's mid-May conference in the Netherlands, one idea Weiss hopes to spread to the United Nations, national governments and citizens groups is the concept of "teaching peace" to children from the time they are toddlers. "You cannot expect people to be peaceful if you don't teach them peace. It doesn't come with your DNA. There's no gene for peace," Weiss said in an interview in her office across the street from U.N. headquarters in New York.

"I hope we are going to launch a campaign to introduce peace education as the fourth 'R,'" she said, referring to the

"three Rs": reading, writing and arithmetic, taught in schools.

"The fourth 'R' is for reconciliation," she said with emphasis.

"And I want it to be required in every school in the world." The Hague Appeal for Peace Conference of mostly citizens groups and some government officials is among several intergovernmental meetings and events marking the centenary of the first Hague Peace Conference in 1899.

That conference was convened by Czar Nicholas II of Russia and helped develop international law. But as the 20th century's history of two world wars and scores of regional conflicts attests, it failed to limit war and the increasingly destructive weapons used by combatants.

## Movement wants to give peace the last word

Weiss said the May 11-15 gathering would start "programmes of action" to abolish nuclear weapons, implement the 1997 Ottawa Landmines Ban Treaty, ratify the International Criminal Court and highlight a new campaign to reduce trade in small arms.

Nobel Peace Prize winners Desmond Tutu of South Africa,

Rigoberta Menchu of Guatemala, John Hume of Northern Ireland and Jose Ramos Horta of East Timor will sit down together in the Hague and discuss their roles in working toward resolving the conflicts in their countries.

U.N. Secretary-General Kofi Annan will also attend. Over the past decade the U.N. has convened conferences on food, women's rights, housing, the environment, sustainable development, population and human rights, but a U.N. conference on peace similar to the other events did not materialise.

"There are plenty of people who really feel that it's enough already, this has been a violent century, more people have been killed in wars than all 19 centuries that came before," Weiss said.

She said the conference wanted to complete the work of the first Hague gathering a century ago. "We can't end this most violent, war-filled century on a note of war. You have to give peace the last word."

Although some of the goals of the Hague Appeal sound much like other modern peace campaigns, the movement believes the clean start of a new century will make a difference.

"There is this incredible sym-

bolism. Most of us have never gone into a new century," Weiss said. "It's going to give every single person on this earth a common bonding experience." Activists in the fields of human rights, the environment and abolition of nuclear, chemical and biological weapons will attend the meeting. The Hague-based International Association of Lawyers Against Nuclear Arms, the Geneva-based International Peace Bureau and two U.S.-based groups, the International Physicians for the Prevention of Nuclear War and the World Federalist Movement, are the main pillars, with hundreds of smaller non-governmental organisations also participating.

## Grandchildren inspire activist to press her cause

Weiss sometimes jokingly describes herself as a "Bronx housewife" and has the broad-vowelled accent associated with that borough of New York City.

The daughter of the late Samuel Rubin, founder of the Faberge Perfume Company and prominent philanthropist, she was pregnant when she embarked on her activist career. She worked with civil rights leader Martin Luther King Jr. in the 1950s and is



married to Peter Weiss, an expert on international human rights law and a main proponent of the Hague Appeal for Peace.

Now a grandmother in her mid-60s and brimming with optimism and vitality about her cause, she says her three children and four grandchildren have kept her inspired.

"What keeps me going is my grandchildren," Weiss said,

reaching into her bag to bring out photographs of two boys and two girls. "I don't want them to be killed. These are wonderful kids and that's all I need. To be reminded of them."

While war, famine, dictatorship and power struggles have wreaked havoc from Bosnia to Burundi, the indomitable activist savours a few moments when peace prevailed over conflict: "The end of the Viet-

nam War (in 1975) was a great relief. (U.S. Secretary of State) Madeleine Albright announcing the CTBT (Comprehensive Test Ban Treaty) over at the U.N." She also cited the release of South African leader Nelson Mandela after 27 years in prison in 1990 and Britain's decision that Chile's former military dictator Augusto Pinochet can be prosecuted for alleged human rights abuses.

## White House, Disney World get Millennium spirit

By Gail Appleson  
Reuters

NEW YORK — Sceptics say the predicted shortage of champagne for Millennium celebrations is just a fairy tale, but Walt Disney thinks it will take more than magic to conjure up the bubbly on New Year's Eve and so do many others, including big hotel chains and the White House.

Indeed, wineries and importers of high-end bubbly say they are busily working with key customers to fill orders now and predict supplies will start running out as early as summer. The concern is for wine made by the traditional method champagne in which the product is aged and fermented in its own bottle.

Non-vintage wines in that category must age and ferment at least 18 months before sale. Vintage sparkling wine and French champagne must age at least three years and top-of-the-line prestige wines four to seven years.

"We expect to be sold out by July," said Joy Sterling at Iron Horse Vineyards of Sonoma County, California, which produces vintage sparkling wines that are aged four to five years. She said the company's sparkling wine orders were already up 100 per cent by the end of February.

Iron Horse has been chosen

to supply a 1994 vintage sparkling wine for White House Millennium celebrations. The special label will show two American eagles with the words: "Inspired by the excitement and promise of the Millennium." The cuvee will debut in April at a White House dinner for 900 people — including 40 heads of state — celebrating NATO's 50th anniversary. Sterling said Iron Horse will make 100 cases of special cuvee for the White House, although plans have not been finalised for when and where it will be served.

## No wine cellar at White House

"There is no wine cellar at the White House," said Chief Usher Gary Walters, whose office is involved in ordering wine for presidential events. He said not all millennium-related events have been planned.

"We buy as necessary ... we prefer to buy it and use it, rather than store it."

In contrast, Walt Disney World resorts, owned by Walt Disney Co., started planning sparkling wine needs at least two years ago when it chose a special Iron Horse cuvee to be served at its restaurants in Orlando and on its Walt Disney cruises.

The cuvee will have a spe-

cial label that says "Millennium Fairy Tale Cuvee," flecked with gold pixie dust.

New York's Schieffelin & Somerset Co., importer and marketer of Moet & Chandon Champagne, including Dom Perignon, tells a similar story.

Bernard Peillon, vice president of marketing for the group, said he started planning for increased demand as early as 1996 and has been meeting with key accounts to make sure they were prepared.

"Around September that will be the end of it," he said of both non-vintage and vintage champagne at Schieffelin & Somerset, a joint venture between LMVH Moet Hennessy, Louis Vuitton and Diageo. Moet & Chandon is a unit of LMVH.

Patrick Charpentier, marketing director for Charles Heidsieck Champagnes, which is owned by Remy Cointreau, agreed that there has been a strong increase in shipments for export markets, especially in the United States.

"Nobody can tell what will happen but the current trend will probably force champagne houses to prioritise markets and customers," he said.

Trend toward "phenomenal sales" trade publications have reported increased U.S. demand. For example, Sonoma-based Wine Business Monthly said last month that

eastern states are seeing a trend toward "phenomenal sales" in champagne and other sparkling wine and most retailers agreed there will likely be shortages in high-end bubbly.

There will also be more than a 19 per cent rise in demand for champagne globally from 1998 to 1999 as part of millennium celebrations. Datamonitor P.C. reported in December.

"Although some of the vintage champagnes have been bought up, the great majority of consumers have yet to buy their supplies for new year 1999," the British market research group said. "This increase in demand outstrips all other drinks categories by a long margin and could result in shortages."

The Ritz-Carlton in Laguna Niguel, California, is taking no chances. Suzanne Willis, director of public relations, said the hotel specifically wanted the 1990 vintage Dom Perignon and began buying extra bottles each month over the last 2-1/2 years.

"We now have 2,000 bottles of Dom Perignon stored safe and secure for the big night," Philip Kendall, vice president for food and beverage at Chicago-based Hyatt Hotels Corp., said he began buying extra vintage and non-vintage champagne last year.

"I think it (the shortage) is

real. High-end items are already going up in price and there certainly is a scarcity in vintage champagne."

But others remain sceptical about an overall shortage, including Gerard Van Grinsven, vice president for food and beverage operations at Atlanta-based Ritz-Carlton Hotel Corp.

While individual hotels such as Laguna Niguel can place separate orders, the chain itself is not stockpiling.

Van Grinsven said he believes champagne price increases are just a way to grab attention and get more people to buy bubbly.

Ritz-Carlton is owned by Marriott International Inc. Danny Thames, beverage director at the New York restaurant group, which owns restaurants in New York, Miami Beach, Chicago, New Orleans and Las Vegas including the Smith & Wollensky Steakhouses, agreed. "The prices went up because there has been so much hoopla," he said, adding that the restaurant group had to pass along the increase to customers by hiking the price of Dom Perignon from \$99 per bottle to \$169.

"I can't wait until 2000 when I can get deals on the leftovers," he said.

Perhaps no other country beyond the bounds of the old British empire received so many British immigrants and has been so marked by their presence. You can lunch on roast beef and Yorkshire pudding at the London Grill and stroll past Harrods department store, once the jewel of Buenos Aires but now an abandoned hulk, on your way to the grand stations the British built for the trains out to suburbs called Wilde or Banfield.

French Defence Minister Alain Richard told the national assembly in Paris that the air strikes had destroyed more than half of Serbia's air power and defences.

The NATO spokesman said alliance aircraft had come up against "very well orchestrated and dynamic" tactical air defences but had hit a special police barracks in Pristina.

Serbian radio said Yugoslav gunners shot down two NATO planes early on Tuesday, one south of the Montenegr capital Podgorica and another over the southern Serbian town of Vranje.

Western military spokesmen denied any planes had been lost.

NATO has acknowledged only the crash of a U.S. F-117 Stealth bomber on Saturday.

Representatives of the separatist guerrilla Kosovo Liberation Army (KLA) asserted in Geneva that Yugoslav forces and Serb militias had killed thousands of civilians in the province.

The Vienna-based International Helsinki Federation (IHF) human

rights group said Serbian forces had surrounded Pristina, trapping its largely ethnic Albanian population and executing several local leaders.

Tanjung listed several places in Kosovo on Tuesday where it said its forces had repelled rebel attacks overnight and other media said if leading Kosovo Albanians really had been killed, the rebels were probably to blame.

Macedonia drastically slowed the entry of thousands of ethnic Albanian refugees, effectively closing its main border crossing to those fleeing chaos in Kosovo, aid agencies said.

In Geneva, the United Nations Refugee Agency (UNHCR) accused Serbian forces of carrying out ethnic cleansing and said more than a quarter of Kosovo's two million population could be forced out.

Residents of Kosovo's capital Pristina, reached by telephone, said parts of the city were in flames on Tuesday as Serbian forces attacked ethnic Albanian neighbourhoods.

Belgrade says its military activities in Kosovo are only a response to aggression from NATO and ethnic Albanian guerrillas.

The state news agency

## British Argentines:

## An odd memory of empire

By Jason Webb  
Reuters

BUENOS AIRES — It is tea-time and the white-clad cricketers at the Hurlingham Country Club are chatting in their mix of Spanish obscenities and South African sounding English.

Olive-skinned waiters, mystified by the most English of games, serve tea and rich pastries in the ornate club house on the Argentine Pampas as the players — born and bred in Argentina aside from the odd expatriate — talk about spin bowling and maidens, googlies and ducks.

Britain's Prince Charles, visiting Argentina, would feel perfectly at home — as long as no one explained the genital origins of Argentine swear words that riddle the conversation.

A peculiar leftover of a once far-flung empire, thousands of British in Argentina hold fast to the language and customs of their grandfathers and great-grandfathers. Some get married wearing kilts, others have Shakespearean readings or eat steamed Christmas pudding in Buenos Aires' sweltering heat.

Perhaps no other country beyond the bounds of the old British empire received so many British immigrants and has been so marked by their presence. You can lunch on roast beef and Yorkshire pudding at the London Grill and stroll past Harrods department store, once the jewel of Buenos Aires but now an abandoned hulk, on your way to the grand stations the British built for the trains out to suburbs called Wilde or Banfield.

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which Argentina lost to Britain in 1982, non-British Argentines are also fond of indulging in sometimes corny Anglophilia. For a while, no Argentine business office seemed complete without a fox hunting print.

Some in the older generation of a British community thought to number about 100,000 still speak Spanish with an accent. But distance and intermarriage are doing their work and the Anglo-Argentines are slowly being absorbed into the broader, Spanish-speaking community in this nation of 35 million.

"Our children are no longer quite as Anglo as we are," said John Hardman, headmaster of St. Andrew's Scots School, which at 161 years is not only the most prestigious private school in Argentina but also the oldest.

Students at St. Andrew's speak English in only 50 per cent in their classes since the law demands they speak Spanish at least half the time. They are expected to read Shakespeare in English at 13 years, after absorbing the complicated Argentine author Jorge Luis Borges in Spanish at 12.

Blue-eyed and blond-haired, with no apparent Latin blood despite family roots in Argentina stretching back to the 1820s, Hardman is a typical Anglo-Argentine.

It is as if the British were being cunningly played by a dedicated troupe of German actors, lying low in Argentina for years biding up on old copies of Biggles and Oliver Twist to make their impersonation perfect. They look right, they sound right, they dress right ... but something is wrong.

## They don't laugh at the same jokes

Andrew Graham-Yooll, a well-known Anglo-Argentine writer, says real Brits can immediately expose the South American version by telling a joke and seeing if the suspect laughs.

"The British sense of irony would probably work 50 per cent of the time with the Anglo-Argentine, but only 50 per cent of the time," said Graham-Yooll, an editor on the English-language newspaper the Buenos Aires Herald.

He had plenty of time to realise how un-British he really was when forced to flee Argentina after threats and attempts on his life under the 1976-83 military dictatorship.

The relative peace of the land of his Scottish forefathers was a welcome discov-

ery then. "It meant sleeping with both eyes shut at night. You weren't always worrying about the car that was slowing down in front of your front door," he said.

More than other immigrant groups in Argentina, the British clung to their old ways. Not only did they have more money than most newcomers when they arrived in the 19th century and at the beginning of this century, they also came at a time when imperial arrogance led them to disdain non-British customs.

They preferred to stay on the profitable outskirts of a turbulent society in a century when Argentina shot to riches, then slumped to ruin as it was rocked by four military coups.

"The British community have always avoided politics like the pox. They come out at birth inoculated against politics," said Graham-Yooll.

## British shaken but not stirred

Hardman agrees, pointing out that St. Andrew's students rise to prominence in business, not in public life.

The populist upheaval that swept Argentina under Gen. Juan Peron from the late 1940s included the nationalisation of British-owned railways and the end of the British grip on the huge beef trade. However, the British community emerged shaken but not stirred, and determined to push on as before.

But their links to Britain were being eroded. A more violent cut came in 1982 when the military dictatorship tried to recapture the islands Argentines call the Malvinas.

"The Falklands war had strange effects, which took a long time to be noticed. Anglo-Argentines had to decide where they belonged," said Graham-Yooll.

Increasingly, the place where they belong is Argentina.

Most of the pupils at St. Andrew's, like those at 100 other English-language schools in Argentina, are no longer of British descent. But the graduates are still saluted by bagpipers, they still play rugby and read the English metaphysical poets.

The British as a separate community in Argentina are dying out.

"Their numbers are not enough," Graham-Yooll said, but some regret their passing. "They represent a sense of decency and honesty which Argentina would not have without them."

## U.N. panel advises 'intrusive' Iraq inspections

(Continued from page 1)

Celso Amorim, Brazil's U.N. ambassador who headed the disarmament panel, said the objective was to explore alternatives "that might enlarge the scope of political options for the Security Council, and I think it did just that."

Amorim, who spoke to reporters after giving the report to Annan, chairs two other panels set up by the council on Iraq: on humanitarian problems and on compensation to prisoners and property seized by during Baghdad's 1990 occupation of Kuwait.

He said the council could take up all three reports as early as next week.

The disarmament report said that Iraq's prohibited arms could be checked by combining the current inspection and monitoring programmes.

But by noting that Iraq had not disclosed the full scope of its programmes, particularly on biological weapons, the report recognised that disarmament was not complete.

## NATO rejects Milosevic overture to end air strikes against Yugoslavia

(Continued from page 1)

NATO sources said U.S. A-10 tankbuster planes, known as Warthogs, were penetrating Yugoslavia's half-crippled air defence system and had hit Serb tanks in Kosovo.

Air raid sirens rang through Belgrade shortly after Primakov left the city, although the all clear sounded a few hours later, with no strikes reported around the city. An angry crowd of about 100 Serbs had earlier attacked the shuttered U.S. embassy, McDonald's restaurants and other Western targets to protest against a week of intensive NATO bombing.

NATO ambassadors meanwhile met in restricted session to decide whether to escalate the air attacks on Yugoslavia.

The allies were weighing whether they must now "ratchet up the price dramatically" for Milosevic by authorising attacks on his army and police throughout the country, a senior NATO diplomat

said. NATO spokesman Jamie Shea said the situation in Kosovo, where Yugoslav forces had caused 118,000 ethnic Albanians to flee in the past week, resembled "a modern-day great terror" — an apparent reference to reign of terror under Stalin in the Soviet Union.

The southern Serbian province's second city of Pec, with a population of 100,000, had been "almost totally destroyed," Shea said, and thousands of ethnic Albanians from the town of Prizren had been put on a forced march towards the Albanian border.

Residents of Kosovo's capital Pristina, reached by telephone, said parts of the city were in flames on Tuesday as Serbian forces attacked ethnic Albanian neighbourhoods.

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## EU sees growth slowing sharply this year and rebounding in 2000

BRUSSELS (AFP) — Growth of the European economy will be sharply weaker this year than had been expected but will rebound to 2.7 per cent next year, the European Commission forecast Tuesday.

The euro-zone economy would grow by 2.2 per cent this year instead of by 2.6 per cent forecast by the commission in the autumn, and the economy of all 15 European Union (EU) countries would grow this year by 2.1 per cent instead of 2.4 per cent.

But next year both the euro-zone and the EU would achieve growth of 2.7 per cent, the commission said in its spring forecasts.

The commission downgraded its forecast for growth in Germany from 2.2 per cent to 1.7 per cent, in France to 2.3 per cent from 2.6 per cent and in Italy to 1.6 per cent from 2.1 per cent.

The commission saw an

improvement in public deficits in the euro zone and of unemployment in the EU, but warned that inflation would rise in the euro zone and in the EU in 2000.

EU Monetary Affairs Commissioner Yves-Thibault de Silguy told the European Parliament: "The slowing of growth will be limited and temporary."

He said: "Negative factors in 1999 will be more than matched by positive factors" and this would lead to an increase of growth in 2000.

De Silguy added that one of the negative factors was a decline of 0.4 points in external demand and a slowing of investment in equipment.

But among positive factors this year were a 2.6 per cent increase of private consumption, an increase of 1.7 per cent of public consumption, a 3.5 per cent increase of investment in construction and a "gradual recovery of the world econ-

omy."

The economy of the United States was expected to show growth of 2.7 per cent this year, falling to 2.2 per cent in 2000.

Ireland would continue to have the strongest growth in the euro zone, of 9.3 per cent, followed by Finland with 3.7 per cent, Spain 3.3 per cent and Luxembourg and Portugal 3.2 per cent.

But the Netherlands and Austria would see growth of 2.3 per cent and Belgium 1.9 per cent.

Outside the euro zone, Britain would achieve growth of 1.1 per cent, Denmark 1.7 per cent, Sweden 2.2 per cent and Greece 3.4 per cent.

Public deficits in the euro zone would continue to fall to 1.9 per cent of output in 1999 and 1.7 per cent in 2000 from 2.1 per cent in 1998, the commission said in its spring estimates.

Unemployment in all 15 EU countries was set to fall this year and next.

The rate of unemployment would be 9.6 per cent this year, from 10.0 per cent in 1998, and 9.2 per cent next year, and in the euro zone the rate would be 10.4 per cent in 1999 and 9.9 per cent in 2000.

In 1998 the EU economy had created 1.7 million jobs and was expected to create 2.5 million jobs in the next two years, to make a total of about 4.2 million from 1998 to 2000.

In 1998, the number of people employed in the EU had increased by 1.1 per cent, or by the biggest amount since 1990, and this pattern should continue, but at a slower rate, for the next two years.

In the euro zone, inflation would be 1.2 per cent this year and 1.5 per cent in 2000, and in the EU it would be 1.3 per cent this year from an estimated figure of 1.5 per cent in 1998, and in 2000 it would rise slightly to 1.6 per cent.

## North Korea urges more effort to boost economy

TOKYO (R) — North Korea said Tuesday its people should step up efforts and "ride at a canter" to deal with the country's economic hardships. The Korean Central News Agency (KCNA), monitored in Tokyo, said that due to difficulties brought on by natural disasters and shortages, the nation now demanded its people work at a high pitch, as they did in the late 1950s.

"Korea is now now suffering from shortage of everything owing to the imperialists' isolation and suffocation moves and consecutive years of natural disaster," it said. "The reality of Korea, which started long strides to build a powerful nation, calls upon the entire people to ride at a canter on a steed."

KCNA added, noting that great efforts have been made to normalise production and put the economy as a whole back on track, it said that this was reminiscent of the post-Korean war period of the late 1950s, when the people "tightened their belt and wrought miracles."

## Japan's unemployment rate hits record high

TOKYO (AFP) — Japan's unemployment rate climbed to a record high point of 4.6 per cent in February, officials said Tuesday, as Tokyo warned that the economy could turn down again.

The number of people unemployed climbed to 3.13 million in February, an increase of 670,000 from the figure a year earlier and the highest number since records began in 1953, the Management and Coordination Agency said.

Prime Minister Keizo Obuchi said the unemployment rate was "severe."

"More efforts must be made for improvement" in the labour market, he told reporters.

As Japanese firms begin much-needed restructuring programmes, with giants like Sony Corp. and NEC Corp. imposing heavy staff cuts, so job conditions are likely to worsen in coming months.

Japanese truckmaker Hino Motors Ltd. gave an indication of what was to come, saying it would cut 1,000 jobs because of poor sales in southeast Asia.

Hino, which is 20 per cent owned by Toyota Motor Corp., said it would cut 1,000 jobs, some 10 per cent of its workforce, by March 2000 through natural attrition and early retirement.

The truckmaker said it was now facing a parent net loss of 35.6 billion yen (\$300 million) in the financial year ending this month, against a 3.6 billion yen profit last year.

"We know for sure that corporate earnings remain weak and that labour market conditions remain poor. These are problematic," Finance Minister Kichiro Miyazawa said.

With the country still stuck in its worst post-war recession, people will remain reluctant to spend while they fear losing their jobs. With no recovery in consumer spending, a revival of growth will be delayed yet further.

January's jobless rate was 4.4 per cent, with a record high number then out of work. Some economists warn unemployment will climb over five per cent this year.

Japanese ministers on Tuesday took a more pessimistic tone about the future of their economy, in sharp contrast to the bullish promises of growth Tokyo has issued in recent weeks.

"The economy's resilience is very weak," said a downbeat Taichi Sakaiya, head of the Economic Planning Agency.

Economic data for February was worse than expected, he said.

Industrial output slumped 0.6 per cent and retail sales slid a heavy 2.7 per cent, the trade

ministry said Monday.

The economy could "deteriorate near-term" once again, Sakaiya warned.

February's jobless rate for men came in at 4.7 per cent against 4.6 per cent for women, both record high figures and worse than expected.

Worst hit were young men, particularly those working in the manufacturing and construction industries.

"The upward trend of the unemployment rate should continue as restructuring in the corporate sector is far from complete," said Peter Morgan, economist at HSBC Securities.

"Weak labour markets will be a drag on consumption for quite a while," he added.

The Japanese government Monday held the first meeting of a new advisory council which will suggest ideas to revive industry and discussed how to cut excess capacity.

The labour ministry said in a separate report that the ratio of job openings for job seekers in February was 0.49, unchanged from January. That means fewer than one in two job seekers was able to find a job in the month, with 49 jobs offered for every 100 job seekers.

"The worsening labour market is a direct result of the economy sliding into recession with the Bank of Japan unable to substantially cut interest rates," said Andrew Shipley, economist at Schroders in Tokyo.

The central bank could in the past cut rates to lower the cost of borrowing for struggling firms. Now with short-term rates already close to zero little more can be done, forcing firms to cut staff.

"The economy has not generated jobs since January 1998," he said.

Meanwhile, analysts say that despite the bullish words of Japan's leaders, the world's second largest economy is still struggling to pick itself up from its worst postwar recession.

For weeks, Japanese politicians have been trying to convince the markets that their two huge stimulus packages and a bank recapitalisation programme will be enough to pull the country back into growth.

But earlier this month, Tokyo admitted the economy shrank 2.8 per cent in 1998, its worst postwar fall, dragged down by an unexpectedly poor performance in the last three months of the year.

Although some economists point to the beginning of a recovery, others are far more pessimistic.

Last month, U.S. Deputy Treasury Secretary Lawrence Summers warned that, despite

Tokyo's efforts, the future may not be rosy.

"If anything, the uncertainties facing the economy have increased and growth forecasts have been revised further downward," he noted.

The Economic Planning Agency attributed the slowing of the economy in the three months to December to poor exports, hurt by the strong yen.

Even though the central bank has pushed down short-term interest rates, Shipley said more must be done.

"Collapsing private demand is not being sufficiently offset by the policy tools implemented to date," he said.

"The government conceded that a major hindrance to net export growth was the strong yen. The central bank should put a priority on driving long-term rates down to reduce the cost of capital for firms facing severe deflationary pressure," he added.

At its latest policy meeting the central bank kept rates unchanged.

Nevertheless, Tokyo's stock market has surged in the past week, thanks to a major corporate restructuring plan at Sony Corp. and the coming into play of a bank recapitalisation programme.

Recently, the Financial Reconstruction Commission, charged with handling the banking crisis, approved a 7,459.2 billion yen (\$61 billion) cash injection into 15 of Japan's top banks.

Hakuo Yanagisawa, head of the commission, said it meant the banks' bad loan disposal was "basically completed," a point hotly denied by most analysts.

It is likely banks will now come under political pressure to increase their lending, particularly to smaller firms.

But swelling their loan portfolios would not help a fragile banking industry recover, said Yoshiyuki Mitsugi, a director at Standard and Poor's in Tokyo.

And the banking industry holds the key to a recovery for the rest of the economy.

"Probably the government will try to give a signal to banks to loan but the politicians are not so familiar with financial issues," he told AFP.

"We still think they are undercapitalised," he added. Another round of cash injections will be needed for some by this time next year.

"Certainly some banks will need some external support unless they go under but as for the good ones it will depend on how their loan portfolio goes," he said.

## Yeltsin: Russia is stuck in disfigured transitional state between planned and market economies

MOSCOW (R) — Russian President Boris Yeltsin Tuesday backed efforts to cut the crushing weight of foreign debt on his nation and said the path of market reforms was still the correct one.

In the text of his annual report to the two chambers of parliament, Yeltsin also said Russia was stuck in a "disfigured transitional state" between the planned and market economies and said reforms should continue.

Yeltsin said the August 1998 crisis, when the previous government had to abandon the policy of a strong rouble as well as freezing domestic debt, had made the foreign debt problem acute.

"With joint efforts, all the institutions of state power must do all possible successfully to conclude talks on the country's foreign debt and restructure the liabilities over as long a period as possible," Yeltsin said.

"In this respect, it is not just a question of the problems of 1999 but of approximately the following 10 years," he said in the report, which pro-

vided the basis of a speech he made to the members of parliament.

The government has said it wanted to restructure about \$100 billion of debt it had inherited from the Soviet Union, including a write-off of some of the loans.

Yeltsin defended the market reforms launched after the collapse of the Soviet Union in 1991 and said they were not to blame for the crisis that has hit the country.

"The course taken in 1991 of a root and branch reform of the Russian economy, the creation and development of market institutions, the gradual entering into the world system was and remains correct," Yeltsin said.

"It is not the market economy we should blame in Russia's current difficulties, but our disfigured transitional system, which is stuck halfway between a planned and market economy," he emphasised.

"While keeping the general strategic direction, it is necessary to correct the method of carrying out economic

reforms, to register and correct the mistakes which have been made," he added.

He criticised the lack of competition, inadequate bankruptcy laws, widespread barter and money surrogates in payments between firms and low government revenues.

Yeltsin said the faults of the 1999 budget had already become apparent. "In such circumstances, it is possible that we will have to use the corresponding provisions of the law about the budget and correct it every quarter."

The 1999 budget provides for 30 per cent annual inflation and is based on an average 21.5 roubles per dollar rate.

The central bank set its official Tuesday rouble/dollar rate at 24.20. Inflation was 8.5 per cent in January and 4.1 per cent in February for year-on-year rates of 97.2 per cent and 103.3 per cent respectively.

Meanwhile, Russian First Deputy Prime Minister Yuri Maslyukov has criticised the impact of economic liberalisation.

"I think all industries are currently in the

process of collapsing," Maslyukov told reporters through an interpreter.

Maslyukov was responding to a question in Tokyo on how he saw the current state of the Russian economy.

Maslyukov, a communist and deputy prime minister in charge of financial and economic affairs, said price liberalisation had "destroyed" not only manufacturing industries but agricultural industries as well.

"I support market economy, it is necessary," Maslyukov said. "But it is impossible to move from a controlled economy to a market economy in one year."

Russia had industries with the potential to support the nation's troubled economy, but the government had not prioritised such potentially healthy industries which in turn had caused the nation's productivity to drop by 60 per cent, Maslyukov said.

"Only the government has the effect of rationalising industries," Maslyukov said.

He said the Russian government's medium-

term economic programme to be announced in mid-April would clarify the areas in which the government would strengthen its role as Russia shifts to a market economy.

Maslyukov also said he supported the launching of a Russian development bank, despite opposition from the World Bank.

"Given the economic conditions of the Russian economy, I believe it is an indispensable institution," Maslyukov said.

"A governmental financial institution would be able to solve problems which cannot be solved by private financial institutions," he said, citing examples such as the transportation and energy industries.

Russia was mulling the launch of a development bank which would help finance investment projects for Russian industry, as well as participate in the restructuring of industries and of major debts owned by enterprises to the federal budget.

### THE Daily Crossword

Edited by Wayne Robert Williams

ACROSS

- Stumble
- Desert plants
- Pork product
- Atmosphere
- So to be heard
- German river
- Fruity dessert
- Female relative
- Inoperative
- Wanderer
- Nightclub
- Part-time athlete
- Wild cat
- Capital of Lesotho
- "Peanuts" character
- Post fresh troops
- Banned insecticide's letters
- Middle East sulfates
- Full of leather
- Smell
- Took off
- Still places in rivers
- Illegal contribution
- Scrubs, as a mission
- "The Day the Earth Stood Still" star
- Unemployed
- Costs of fur
- List of lapses
- Curved pole
- Claim on income
- Fruity dessert
- Plumbing woe
- Send packing
- Focal point
- GM make
- Russler's last rope
- River duck

DOWN

- Light knock
- Think better afterward
- A Gershwin
- Carry heat
- Terr occupant
- Alaska resident
- Stable youngster
- Bathroom fixture
- So it would seem
- Coastal breeze
- Fruity dessert
- Doubleday of baseball
- Paris subway
- Rabbit's kin
- Portant
- Redden
- Inner self
- Fruity dessert
- Actress Emma
- Three squares a day
- Underground growth
- "The Mary Loves of — Gills"
- Elders and aiders
- Abandoned
- Beautifully
- Dove or Frost
- Brazilian port
- Fill in the
- Redecorate the bathroom
- Cafeteria dessert
- Window on a corbel
- Ends of the Earth?
- Secretarial mistake
- Outer, pref.
- "The Belts"
- poet
- Actress Lupino
- Moray

### Peanuts



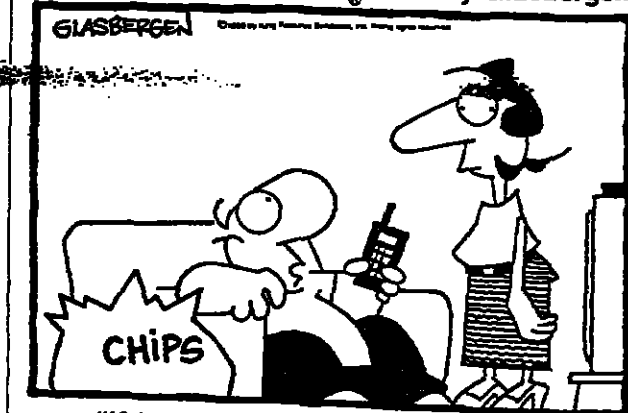
### Andy Capp



### Mutt'n'Jeff



### THE BETTER HALF. By Glasbergen



"If I go first, hide a cell phone in my coffin so I can call you collect from Heaven if I need anything."

### JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words

KEJYR  
FOTOA  
VERROF  
PICOMY

Answer: " " " " " "

### THAT SCRAMBLED WORD GAME

by Henri Arnold and Mike Arginton



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: " " " " " "

Saturdays | Jumbles: ARDOR SOAPY MATURE HERESY  
Answer: What the comic indulged in when the town banned liquor — "DRY" HUMOR



## Daily Beat

A review of news from the Arabic Press

## Higher sales fail to improve profitability of Ready Mix Concrete and Construction Supplies Co.

DESPITE A 17 per cent increase in sales last year, the Ready Mix Concrete and Construction Supplies Company was not able to maintain the net profit it posted in 1997 because of stiff competition. Board Chairman Makram Alami told the general assembly meeting that after tax net profit amounted to JD315,000 in 1998 compared to JD318,000 in 1997. Sales last year totalled JD6.86 million while in 1997 sales stood at JD5.8 million. Alami attributed the decline in net profit to a 10 per cent drop in the number of licensed building at the Engineers Association, the increase in the number of competitors, the setting up of new branches of some existing companies and the adverse economic situation prevailing in the Kingdom. "The stiff competition has lowered prices and negatively affected the volume of sales and the profit," Alami said.

Outlining the achievements of the company during 1998, Alami said that two new branches were opened in Irbid and the Dead Sea area in addition to the main office in Amman and the other two branches in Zarqa and Aqaba. He added that the firm received the ISO 9002 certificate with a

strong support from the Industrial Development Bank. In addition, the company started supplying the market with various types of bricks after opening a new plant in mid 1998. The plant received full recognition from the Investment Promotion Corporation to consider the plant as an investment project enjoying full exemption as stipulated in the investment promotion law. On the financial side, Alami said the company's all branches and the brick factory carried an investment value of around JD5.1 million and employed a total of 100 employees. Total assets stood at JD5.0 million of which JD3.76 million were fixed assets. Total assets at the end of 1997 was JD4.7 million. Net shareholders equity increased from JD3.1 million in 1997 to JD3.4 million at the end of 1998 whereas current liabilities stayed at the same level of JD1.3 million. Finally, net profit before tax stood at JD339,000 (JD377,000 in 1997). The general assembly concluded its ordinary meeting by approving the distribution of dividends at a rate of seven per cent noting that the total of dividends payable at the end of last year was JD355,000 compared to JD496,000 at the end of 1997.

## Specialised Investments Company generates small profit despite large volume of assets

ALTHOUGH THE total assets of the Specialised Investments Jordanian Company reached JD6.7 million at the end of 1998 compared to JD4.9 million at the end of 1997, the firm generated a JD23,400 net profit, sharply down from the JD58,800 recorded in 1997. Current assets totalled JD2.2 million, almost the same level as in 1997.

Board Chairman Jamil Barakat told the shareholders that the firm being a holding company has three affiliated entities specialising in real estate, consulting and studies and in economic viability research. "The management has car-

ried out studies on many economic projects in various investment areas and has established an investment portfolio to trade in shares in stock exchanges," he said. Barakat added that the combined earnings of the company amounted to JD182,100 while administrative and general expenses totalled JD141,566. He indicated that after including retained earnings from 1997, the dividends payable at the end of 1998 amounted to JD114,300 but were carried forward to 1999 after deducting JD2,386, or 10 per cent, to the regulatory reserve as required by law (Al Ra'i).

## HOROSCOPE

FORECAST FOR WEDNESDAY, MARCH 31, 1999

By Linda C. Black, Tribune Media Services, Inc.

**ARIES:** (March 21 to April 19) You should be feeling absolutely marvellous today, and you're looking fabulous. You're going to attract all sorts of attention. Some of it from your competition. Your opponents are starting to realise you're a force to be reckoned with, and they're right.

**TAURUS:** (April 20 to May 20) Love and money don't necessarily go together, but in this case, it looks like they do. You'll be making a lot more money if you're in a job you love, for example. You may think such a job doesn't pay well, but that's always true. Do what you love and the money follows, remember?

**GEMINI:** (May 21 to June 21) This is a marvellous day for romance. It may not go quite as you planned, however. Looks like there's a separation, and that doesn't seem like fun, but it certainly could make things more intense — and intensity can be great fun. It looks like all ends well, so don't fret.

**CANCER:** (June 22 to July 22) You may feel pulled every way, but don't fall into a ditch. Good friends and loved ones can keep you on track. Take time to set your priorities so you know what to accept and what to turn down.

**LEO:** (July 23 to August 22) Should you stay or should you go? Should you accept an invitation that's close to home or one that's far away? It's pretty hard to choose, but if you wait a little while, the answer should become obvious.

**VIRGO:** (August 23 to September 22) A fool and his money are soon parted. Don't let this old say apply to you. Money is a recurrent theme this week. There are plenty of opportunities both to make it and lose it. It's a jungle out there, but exciting, and this is a game at which you have natural talent. So get out there and play, but be wary.

**LIBRA:** (September 23 to October 22) Your best route to fame and fortune today is through a partnership. The two of you can make all sorts of things happen. You're good when you're working by yourself, but you really flourish when you've got somebody else encouraging you and stimulating your imagination. Today, such a person is likely to appear.

**SCORPIO:** (October 23 to November 21) You often get your way through a roundabout route, and today that could be the case again. You can lean on a person who owes you a favour, and he or she will call a friend, who calls a friend, and on and on down the line, until finally you get what you want. Today is a good one for starting that process.

**SAGITTARIUS:** (November 22 to December 21) You've put on a good showing this week and deserve a break. Schedule one for yourself and a few good friends. You might even want to call it a meeting, because it'll be that, too. You'll be discussing important ideas and establishing valuable relationships. But, of course, you'll also be having a great time.

**CAPRICORN:** (December 22 to January 20) You could get an excellent chance to advance in your career today. This opportunity is based on work you've done in the past, and also from relationships you've developed. You've built a good reputation, and that's why you're getting this chance. It could bring you more money, so you might as well give it a try.

**AQUARIUS:** (January 21 to February 19) A person you find very attractive feels the same way back at you. It may be difficult for you to get together, however, since there's quite a distance between you. Luckily, you can correspond, and that's the basis of your relationship. Continue to build that friendship, and see what happens naturally.

**PISCES:** (February 20 to March 20) Your dilemma today probably has to do with money. How should you spend it? How should you budget it? Will there be enough to go around? It's just one thing after another. Well, it does look like there will be plenty for a while. You ought to be able to do just about whatever you want, within reason.

Birthstone of March: Aquamarine — Jasper

## Jobless woes create new market for insurers

TOKYO (R) — With Japan's unemployment rate hitting new highs, insurance companies are eyeing a new growth market: Policies that guarantee income when people lose their jobs.

Several insurance firms have begun to offer such schemes, which are variants of accident insurance, and one policy, "unemployment life support insurance" developed by Mitsui Marine & Fire Insurance Co., even pays out if a new job pays less than the old one.

"Up to now, there have been policies that paid out if

someone was hurt or hospitalised, but none if they lost their job," said Mitsui Marine spokeswoman Itsuko Yazaki. "We have developed this product in response to growing needs in the market."

For premiums of 15,000 yen (\$125) a year, the policy pays approximately 40 per cent of a previous salary left uncovered by government unemployment insurance.

Such schemes could become more attractive, given an expected rise in unemployment as companies restructure to cut costs,

slim down and boost profit margins.

The policies, most of which will be available after April 1 when the new business year starts, are mainly targeted at helping policyholders keep up payments on housing loans, company officials said.

The majority are contracted not by individuals directly but by a financial firm, loan organisation or housing company that has financed their home. Coverage on average lasts for about six months following a lay-off or company failure.

"The policies take this form because it is currently rather daunting to take on a housing loan. This reassures borrowers that even if they lose their job, their loan will still be covered," said Kenji Yamashita of AIU insurance.

Most of Japan's big city banks operate or are contemplating similar programmes, the financial daily Nihon Keizai Shimbun said. American Home Insurance, a branch of a U.S. firm, is also offering an income-guarantee policy for home-makers.

Designed to cover cases in which a full-time home-maker may be unable to care for her family due to illness or injury, the policy not only pays out a set sum each month, it also provides funds for a number of miscellaneous expenses including restaurant bills and salaries for temporary home helpers.

"Housewives have never been included in this sort of plan before, but if they can't do their job, their family really suffers," said Masatoshi Sumi, vice president at American Home.

## 'Job security is the ability to walk across the street and find another job'

## Layoffs are dark side to vigorous U.S. expansion

WASHINGTON (R) — Something is different about today's workers, observed Roland Bullard, a banker turned venture capitalist. They work harder.

"I see it especially in the young people I come across. They are really smart and they know how to use technology," Bullard, 54, said.

Bullard, of the Philadelphia development firm Fastship Inc., is not alone in noticing higher productivity, which has helped make the U.S. expansion, on the eve of its eighth birthday, the healthiest in at least a generation.

"Outstanding," "Impressive," "Admirable," "Extraordinary." That's how Federal Reserve Chairman Alan Greenspan has described the fast-growing, low-inflation economy. A dynamic job market has helped make it possible.

But the expansion, which completes eight years on Thursday to become the second-longest period of U.S. growth on record, has a dark side: Layoffs.

It seems a paradox that the decade, which has seen unemployment fall to depths econ-

omists had not thought were sustainable is the same one in which "Chainsaw Al" Dunlap gained infamy with his reputation for hacking payrolls.

Yet James Annable, chief economist at Bank One Corp. in Chicago, said the trend is part and parcel of a change in the labour market that is probably here to stay.

"It used to be that large corporations were run like communities. Everybody had a stake: workers, vendors, managers, shareholders," he said. But that changed as global capital markets became more powerful in the 1980s.

Shareholder interests are now paramount. That means companies must come up with profits or face a takeover.

Under such pressure, firms have proved that they could produce "productivity on demand." Dumping unprofitable subsidiaries and automation are ways to improve the bottom line, but many times they involve job cuts.

As companies have become leaner and meaner, productivity has risen. Between 1996 and 1998, productivity grew at an average annual rate of

1.9 per cent — almost double the roughly 1.1 per cent rate the economy has averaged for much of the past few decades.

Many economists even suspect that productivity pickup would be higher if measurement problems could be fixed. Economists view growth in labour productivity — defined as output per worker hour — as the "silver bullet" that brings about rising standards of living.

When workers produce more goods and services per hour, companies can fatten their profits. They can also boost worker wages without adding to costs or passing those higher costs along in the form of inflation.

But Greenspan himself has acknowledged that the productivity gains often come with a cost, referring to job turnover as "creative destruction" or "churn."

Bullard is no stranger to "churn." His 28-year career in banking took him up to the position of vice chairman of Corestates Financial. He later was president of First Fidelity in Philadelphia before it was taken over by First Union Corp.

He traded the plush corporate job for the more precarious world of the entrepreneur, a change he's glad he's made.

Fastship is creating a network to transport goods between the middle of the United States and the middle of Europe in seven days using high-speed ocean-liners and land transportation.

Small firms like Bullard's have been an engine of job creation over the past decade, helping to replace positions lost in corporate restructurings.

As U.S. gross domestic product grew at a brisk pace of 3.9 per cent last year, corporate layoffs hit nearly 700,000, surpassing the recession years 1990 and 1991, as well as 1993, a year of mega-mergers, according to the Chicago outplacement firm Challenger, Gray and Christmas.

Challenger, which has tracked U.S. job cuts since 1989, reported that in 1998 — the same year that the unemployment rate hit a three-decade low of 4.3 per cent — worker layoffs hit their highest level on record.

Levi Strauss and Boeing

Co. have grabbed headlines with layoff announcements. But even fast-growing Internet giants like America Online are not immune. AOL last week announced plans to trim up to eight per cent of its work force after the acquisition of Netscape Communications Corp.

John Challenger, who heads Challenger, Gray and Christmas, said the essence of the new economy is that the contract between workers and their employers is fundamentally changed.

"The contract used to be that as long as you came to work on time, you had a job. Today the contract is you may lose your job but you could find another one that maybe pays even more," economic consultant Joel Naroff, whose corporate job at First Union Corp. was slashed last month, puts it bluntly: "Job security is the ability to walk across the street and find another job."

Naroff and Challenger say the new contract works fine right now, because the economy is strong. But the big question is, what will happen when a recession hits?

## JORDAN TIMES

TEL.: 5684311-

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## China state firms feel reform heat from Beijing

TIANJIN, China (R) — Demands for reform are forcing managers at China's money-losing state firms to make some painful decisions while adjusting to the market economy.

A steady stream of marching orders for state industry captains to slash staff, cut losses and make products that sell has continued unabated from Beijing despite a slowing economy.

To executives on the receiving end of the decrees, like Li Chunlai of the northern industrial city of Tianjin, Prime Minister Zhu Rongji's bold state sector reforms mean "a lot of pressure."

"State-owned enterprises had their heyday, but the market economy has brought us

new problems," said Li, chairman of the Tianjin Dolphin Rubber Group Co., one of China's leading makers of rubber products.

"I naturally have felt a great deal of pressure and difficulty in running this big enterprise," he added.

Li spoke to reporters at a group factory 10 days after a March 15 circular issued by the State Economic and Trade Commission (SETC) ordered large- and medium-sized state enterprises to complete reform measures by the end of the century.

The circular said senior managers would be made responsible for losses and called on state-owned firms to improve product quality, cut costs, tighten accounting,

expand marketing and sales and slash payrolls.

Senior company officials would receive a "yellow card" warning from the government if poor management caused losses, with those liable for two consecutive years of losses would be replaced, the circular said.

The SETC decree, which followed similar reform calls at parliament this month by Zhu and other officials, indicated Beijing intended to keep reform on track, analysts said.

The government remains fully committed to state-owned enterprise reforms despite a slowdown in the economy," said a statement by Morgan Stanley Dean Witter China economist Andy Xie.

"One key task of the

reforms is to free enterprises of their social burden," he added.

Li, who said the 22 firms in the Dolphin group made more than one billion yuan (\$120 million) last year on 1.68 billion yuan in sales and \$29 million in exports, has not seen a yellow card.

But he has had to face down reform's thorniest problem. "Under the market economy, firms must 'cut staff and raise efficiency,'" he said, reciting Zhu's mantra for the campaign to resolve the main problems of the state sector by the end of 2000.

"But we can't just cast workers out into society," Li said. Dolphin started cutting its huge staff in 1990 and had

halved the payroll to 11,000 by the end of last year, he said.

Of the 11,000 redundant workers at the Dolphin group, 3,760 were sent to new firms set up with Dolphin capital, 1,100 were given early retirement for health reasons, 2,200 were put through retraining programmes and found new jobs and 1,200 were sent to work in joint ventures and other partner firms, he explained.

He said Dolphin seed capital started 108 businesses fanning from bars and restaurants to small factories to schools, some of which provide services the state-owned firm used to supply.

The firms posted 350 million yuan in sales in 1998, he

added. "There are still nearly 2,000 unemployed, for which we are still responsible for paying basic living expenses, medical insurance and pension," he said, adding that the monthly living expense was 235 yuan per worker.

Li acknowledged that Dolphin is a success story in a state sector suffering from overstaffing, cash shortfalls, unmarketable products and inability to respond flexibly to market conditions.

But he says the state sector can be restored to health.

"I believe that state-owned enterprises are not mortally ill, but have afflictions that can be cured," he concluded.

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# Nigeria bustles with preparations for Youth Soccer Championship

LAGOS (AFP) — In eight soccer stadia around Nigeria, finishing, and some not-quite-so-finished, touches were being applied to paintwork and facilities as the country gears up to host next month's World Youth Championship.

Next Saturday, Nigeria's affable military ruler General Abdulsalam Abubakar will open the tournament billed as "Nigeria '99" at the country's 40,000 all-seater National Stadium, Lagos.

After an expected two-hour opening ceremony, Abubakar will then settle back into his seat to watch the host team take on Costa Rica in the first of some 52 matches due over three weeks, featuring around 400 players and due to culminate with a final on April 24.

Some 24 youth teams from around the world are taking part in the FIFA-organised event, to be followed by more than 1,500 local and foreign journalists and thousands of sports officials and enthusiasts.

Having spent some 10 billion naira (\$110 million) on preparations, Abubakar is insisting all should be ready for the event, which he hopes will showcase the country to the world.

Home to more than 108 million people, Nigeria is Africa's most populous country and a sporting



Residents of Lagos walk in front of a poster announcing the 10th FIFA world youth football championship which runs from 3 to 24 April 1999. More than 400 Under-20 soccer players from 24 countries including Argentina, Brazil, England, Germany, Japan and the United States are taking part in the tournament (AFP photo)

power on a continent which is still to stage a truly global sporting fixture.

But for five years it has been an international pariah because of a repressive military regime under the late General Sani Abacha and in 1995 the right to stage the championship was withdrawn at the last minute and handed to Qatar.

And some, at home and abroad, say agreement that Nigeria should host this year's event came too early.

According to Dele

Sobowale, commentator for the Nigerian newspaper Vanguard, the country is "heading for international disgrace" in hosting the contest now before it is ready.

Facilities are not up to scratch, he said. Telecommunications and power problems are legendary and transport problems have not been solved.

Approval for Nigeria's bid to host this event came only after a series of visits to Nigeria by a team of FIFA

officials and experts who earlier this month dismissed the objections.

FIFA vice-president Jack Warner said in Zurich that the problems in Nigeria were often exaggerated.

"I've been to Nigeria seven times altogether and I have examined every detail. There is absolutely no cause for concern," he said.

To win the tournament, Nigeria had "worked hard" to bring up to standard the stadia and hotels in Bauchi, Calabar, Enugu, Ibadan,

Kaduna, Kano, Lagos and Port Harcourt, he said.

To assist in travel arrangements, state-carrier Nigeria Airways was getting backup from British Airways and other domestic airlines.

To answer health concerns, FIFA had put in place special medical provisions, including specially-trained personnel, a dedicated telecommunications network and the provision for seriously injured or sick players to be evacuated abroad.

To ensure security, the government was bringing in 4,000 specially-trained policemen to be deployed around the stadia and hotels where teams and officials will be staying.

For the local organisers, what matters is that developing countries like Nigeria, which is bidding to host the World Cup in 2006, be allowed to stage such events now.

"People should not expect the world. We are a developing country. But we will be well organised. They will be amazed," Paul Bassey, the national media officer for the FIFA Local Organising Committee told AFP last week.

"We will organise a great championship. We will show that we could organise a full World Cup. What we just want now is for the thing to start," he said.

"It is time for the football."

## Factfile on FIFA World Youth Championship

LAGOS (AFP) — The FIFA World Youth Championship, billed Nigeria '99, kicks off in Lagos on Saturday with the hosts of the Under-20s event taking on their counterparts from Costa Rica.

Following are some facts about the event:

— The opening match takes place in Lagos on April 3 and the final on April 24.

— The first game features Nigeria vs. Costa Rica.

— 24 teams will take part in the competition.

— Eight stadia are being used: Bauchi (northeast), Calabar (southeast), Enugu (east), Ibadan (southwest), Kaduna (north), Kano (north), Lagos (southwest) and Port Harcourt (southeast).

— First-round matches run from April 3 to April 11, using all eight stadia.

— Second-round matches to be held April 14 and 15 in the eight grounds.

— Quarter-finals to be held April 18 in Enugu, Ibadan, Kaduna and Lagos.

— Semi-finals to be held April 21 in Lagos and Kaduna.

— Final and third-placed playoffs to be held April 24 in Lagos.

— In total, some 52 matches will be played.

— More than 1,500 local and foreign journalists will cover the event.

— The last host was Malaysia, in 1997.

— The next host is Argentina, in 2001.

— Nigeria's best performance was in 1989 where they lost in the final 2-0 to Portugal.

— Argentina are the current title holders.

— The joint-favourites for the championship are Argentina and Brazil, both three-times winners.

— The National Stadium, which will host the opening match and final, was built in 1972 and has been converted into an all-seater venue with a capacity to seat 40,000 people.

— Nigeria's military government says it has spent 10 billion naira (\$110 million) on preparations.

— The 24 teams competing teams are: Argentina, Australia, Brazil, Cameroon, Costa Rica, Croatia, England, Germany, Ghana, Honduras, Japan, Kazakhstan, Mali, Mexico, Nigeria, Paraguay, Portugal, Republic of Ireland, Saudi Arabia, Spain, South Korea, United States, Uruguay and Zambia.

## World Youth Championship fixtures

### • Group A (Lagos)

April 3 — Nigeria v Costa Rica

April 4 — Germany v Paraguay

April 7 — Nigeria v Germany, Costa Rica v Paraguay

April 10 — Nigeria v Paraguay, Costa Rica v Germany

### • Group B (Kaduna)

April 4 — Croatia v Ghana, Argentina v Kazakhstan

April 7 — Argentina v Ghana, Croatia v Kazakhstan

April 10 — Argentina v Croatia, Ghana v Kazakhstan

### • Group C (Ibadan)

April 4 — Australia v Saudi Arabia, Mexico v Republic of Ireland

April 7 — Australia v Mexico, Republic of Ireland v Saudi Arabia

April 10 — Australia v Republic of Ireland, Mexico v Saudi Arabia

### • Group D (Enugu)

April 5 — Mali v Uruguay, Portugal v South Korea

April 8 — Mali v Portugal, South Korea v Uruguay

April 11 — Mali v South Korea, Portugal v Uruguay

### • Group E (Bauchi, Kano)

April 5 — Cameroon v Japan, England v United States

April 8 — Cameroon v England, Japan v United States

April 11 — Cameroon v United States, England v Japan

### Group F (Calabar, Port Harcourt)

April 5 — Brazil v Spain, Honduras v Zambia

April 8 — Brazil v Honduras, Spain v Zambia

April 11 — Brazil v Zambia, Honduras v Spain

### • Second round (all venues)

April 14, 15 — Group winners and runners-up and best four third-placed teams

Quarter-finals (Enugu, Ibadan, Kaduna, Lagos)

April 18

Semi-finals (Kaduna, Lagos)

April 21

Final, third-place playoff (Lagos)

April 24

## Portland biggest surprise of shortened NBA season

WASHINGTON (AFP) —

Two months into a National Basketball Association season shortened by a labour fight and dimmed by the breakup of the Chicago Bulls dynasty, the Portland Trail Blazers have quietly become the team to beat.

With a balanced offence and strong defensive play, the Trail Blazers have the NBA's best record at 23-5 and a strong chance to win home court advantage for the NBA playoffs, which open May 5 after each club has played 50 games in 90 days.

Isaiah Rider sets the pace for five double-figure Portland scorers. The guard's 15.7 points, 4.5 rebounds and 2.4 assists are part of a team effort that has bred confidence.

"We all feel like we're going to win every game, even if we're not playing really good," Rider said. "At some point, we're going to get on a run and start playing real good. It's a totally different feeling from last year. We're totally confident, and everyone is believing in everyone."

Lithuania's Arvydas Sabonis and Damon Stoudamire, the talented playmaker obtained from Toronto, each score 12.6 points a game. Sabonis adds 8.9 rebounds and 2.3 assists while Stoudamire contributes 6.9 assists and 3.5 rebounds.

Add 12 points each from Brian Grant, who pulls down 11 rebounds a game, and Rasheed Wallace and the Trail Blazers are a team to be reckoned with in the title chase, along with a host of Western Conference rivals.



Shawn Bradley (R) of the Dallas Mavericks reaches over the back of Seattle SuperSonics Jelani McCoy (L) as both players battle for a rebound at Reunion Arena in Dallas, TX. (AFP photo)

While the Chicago Bulls have slid to 8-21 in the wake of Michael Jordan's retirement and the dynasty breakup, two-time NBA runner-up Utah remains solid at 21-7, paced by Karl Malone's 23 points and 9.4 rebounds a game.

"My production is down, but our record is better," Malone said. "I'm having the most fun I've had playing the game. I'm not thinking I've got to score 30 every night. That's pressure off."

"We're starting to get everyone on the same page."

To me, that's a lot. I don't feel any different. I think I'm gonna really get into a good rhythm soon. I feel it. I'm having good games, but I'm not having the games I want."

Two other teams trying to find the right chemistry are Houston and the Los Angeles Lakers. The Rockets, 21-9, are on an

eight-game win streak and have taken 11 of their past 12 games with a Thursday showdown coming at Utah.

Hakeem Olajuwon has 18.3 points and 9.1 rebounds for Houston while Charles Barkley has been healthy and contributing 17.9 points and 12.7 rebounds a game. And Scottie Pippen's versatility

remains intact since his move from Chicago, with 15.3 points, 7.0 rebounds and 6.2 assists a game.

The Lakers have rebuilt their roster around Shaquille O'Neal, whose 26.7 points and 10.9 rebounds a game led the club. Dennis Rodman adds 10.7 rebounds a game to ease to load. Glen Rice adds 17.3 points and an outside threat to ease defensive pressure on O'Neal. And Kobe Bryant scored 20.8 points a game with flashy moves.

The Eastern Conference is more balanced, with Larry Bird coached Indiana leading the way slightly over Orlando and Miami. But parity is the key and such former losers as Philadelphia and Toronto are making moves with young talent like Allen Iverson, who is scoring 28.4 points a game for the 76ers.

"I think he's elevated every area of his game," Philadelphia coach Larry Brown said. "We've won a lot of games where he's been 5-for-18, 5-for-19, and we've been in games where he was 5-for-25, 6-for-24. If he wasn't on the court, we have no shot, because he makes everybody better."

Veteran Charles Oakley has helped lift Toronto's Raptors to 14-14, their best showing so deep into a season.

"Now that we've had some success, what we now have to do is prove we can win consistently," he said. "That might not be something we can do this season alone. It might take two or three seasons."

### Monday's NBA results

Atlanta	83	Indiana	82
Seattle	109	Dallas	101
Denver	100	LA Clippers	88
LA Lakers	116	Vancouver	98

## Jordan sees NBA club ownership as a worthy challenge

WASHINGTON (AFP) — Michael Jordan retired from playing basketball once the challenge was gone. Now he says he has found another challenge from the sport — owning a National Basketball Association team.

In a statement released here Monday by Jordan's agent David Falk, the superstar who led the Chicago Bulls to six NBA titles in the past eight seasons confirmed he has been contacted about purchasing a 50 per cent stake in the Charlotte Hornets.

"The discussions are very preliminary and I am unsure whether I will be able to make an investment on terms that are acceptable to me," Jordan said, calling the idea of NBA ownership "a fulfilling personal and business challenge."

Doing it in his home state of North Carolina would make the task even sweeter. "I would welcome the opportunity to be involved in growing the Hornets into



Michael Jordan

an elite NBA team," Jordan said.

Bulls owner Jerry Reinsdorf said Jordan would make a good NBA owner. "Michael is very bright and has very good insight," Reinsdorf said. "I'm sure he would be a plus."

The Hornets have struggled to a 12-15 mark so far this season, leading only one Central Division rival — the woeful Bulls, who have slumped to 8-21 following the breakup of the championship roster after Jordan's retirement in January.

## Cinema Theatre Cinema Theatre Cinema Theatre Cinema Theatre

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Tom Hanks & Edward Burns...in

**SAVING PRIVATE RYAN**

Shows: 12:15, 3:15, 6:15, 9:15

CINEMA TEL:463-4144  
**PHILADELPHIA '2'**

HAPPY EID TO ALL

**RONIN**

Shows: 6:15, 8:30, 10:30

**A LITTLE PRINCESS**

Shows: 12:30, 3:30

CINEMA TEL:5699238  
**PLAZA**

Leonardo Di Caprio ... in

**TITANIC**

Antonio Banderas ... in

**THE MASK OF ZORRO**

Shows: 12:30, 3:30, 6:30, 9:30

CINEMA TEL:5677420  
**CONCORDE**

ALWAD MAHROUS

BTA' AL WAZIR

Shows: 12:30, 3:30, 6:15, 8:30, 10:30

**CONCORDE 2**

MR. BEAN

Shows: 2:00, 6:00

**TOM & JERRY**

Shows: 2:30, 4:00

CINEMA TEL:5934793  
**GALLERIA 1**

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Jackie Chan & Chris Tucker...in

**RUSH HOUR**

Shows: 12:30, 3:30

**THE MAGIC SWORD**

Shows: 5:00

CINEMA TEL:5934793  
**GALLERIA 2**

ABDOUN

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Tom Hanks & Meg Ryan...in

**YOU'VE GOT M@IL**

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**THE MAGIC SWORD**

Shows: 12:30, 3:30

Hisham Yanes Theatre  
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LOCAL SPORTS SCENE



Vellapan congratulates Prince Ali

AMMAN — HRH Prince Ali, president of the Jordan Football Association, received a letter on Tuesday from Asian Football Federation Secretary General Peter Vellapan, who congratulated Prince Ali on designating him as head of the JFA. Meanwhile, the Asian federation has named an Iranian lecturer to supervise a local training course for Level B coaches from May 3-23. This week, the Olympic team will host the 18-player Lebanese team, which arrived in Amman on Tuesday.

Saeed will not coach Al Faisali

AMMAN — Al Faisali football team technical manager Mathar Al Saeed will not be able to supervise the team this season because of health problems. Al Saeed told the club that based on medical advice he cannot meet his duties this season and suggested to find a capable person who can replace him this year.

SPORTS IN BRIEF

Kosovo crisis affects tournament

MOSCOW (AFP) — A 30-year tradition of amateur Russian boxers travelling to the United States for an annual showdown with U.S. fighters is under threat because of the Kosovo crisis. A reduced working day and tight security at the U.S. mission in Moscow, following a weekend gun attack, has prevented Russia's boxing squad from getting their visa. Visa delays have already forced Russia's national female volleyball side to scrap plans to tour the United States for a series of friendly matches. Russian Volleyball Federation secretary Viktor Sviridov denied that they pulled out of the series for political reasons linked to Moscow's opposition to U.S.-led air strikes against Yugoslavia, a traditional Russian ally.

Britain wins back Grand Prix status

MONTE CARLO (AFP) — The IAAF has given back Grand Prix status to Britain's two top summer events. The move followed meetings last week between IAAF President Primo Nebiolo and David Hemery and David Moorcroft of U.K. Athletics. The Sheffield meeting on August 7 is restored as a Grand Prix I fixture while the meeting in Gateshead, on June 27, is a Grand Prix II. In a hand-delivered letter to Hemery, Nebiolo said: "I do recognise the extraordinary circumstances which athletics faced in the UK last year and I have tried to offer my personal support. We believe Great Britain does deserve some exceptional consideration in this case." Hemery welcomed the news, saying: "This is a great boost for the sport in Britain and I am delighted that Dr. Nebiolo has shown consideration to athletics in this country at such a critical time."

IOC official refuses to meet Coles

SYDNEY (AFP) — International Olympic Committee (IOC) vice-president Anita DeFrantz said Tuesday she would not meet with embattled Australian Olympic official Phil Coles during her visit to Australia. The IOC executive board is investigating claims from Coles' ex-wife about a gift of jewellery from people associated with the Athens 1996 Olympic bid. "We have to wait until we get the information that we need, and then it will be resolved," she said at the headquarters of the Sydney Organising Committee for the Olympic Games (SOCOG). "I would not put a time frame on it," added DeFrantz, here to assess the progress of Sydney's Olympic transport preparations. Georgina Coles has said she still owns jewellery valued at \$510,000 (\$6,000) given to Coles by a man connected with the Athens bid to host the 1996 Olympics. Coles, 67, has resisted pressure to resign from the IOC and SOCOG after getting a "most serious warning" for accepting excessive hospitality from Salt Lake City's 2002 Winter Games bid. If expelled from the IOC, Coles would also lose his place on SOCOG.

Connecticut wins U.S. college crown

ST. PETERSBURG (AFP) — Richard Hamilton scored 27 points to lead the University of Connecticut past Duke University 77-74 Monday in the United States men's college basketball tournament final. The championship was the first in school history for the Huskies, who finished 34-2 and outplayed the favoured Blue Devils in the final minutes of what became one of the best title matches in tournament history. "We proved beyond a doubt we are the best team in the country," Hamilton said.

Mavericks sign Croatian centre

DALLAS (AFP) — Croatian center Bruno Sundov signed a two-year contract with the National Basketball Association's Dallas Mavericks, who selected him 355th overall in last year's NBA draft. Sundov's rights would have been up for grabs again in June had he not signed with Dallas by the end of the season. Sundov, a 2.1-metre giant who turned 19 on February 10, played last season for a Croatian junior team, averaging 13 points and 10 rebounds.

Divac fears for his family

SACRAMENTO (AFP) — Yugoslavian Vlade Divac, the starting center for the National Basketball Association's Sacramento Kings, fears for the safety of his family in Belgrade due to the NATO bombing in his homeland. "It's dangerous," he said. "They can't travel anywhere because it's not safe. There is bombing everywhere." Divac has spoken with his parents since the bombing began last week. They have told him they want to stay. But he would like to rescue his young niece by bringing her to the United States. "That's my wish, but I don't know what is going to happen," Divac said. "It's out of my hands." Divac has not been so helpless on the basketball court despite his concern over the Kosovo crisis, averaging 12.1 points, 9.5 rebounds and 4.1 assists for the Kings, who are 13-17 this season.

Barcelona to stage 2003 world swimming championships

HONG KONG (AFP) — Barcelona will stage the 2003 world swimming championships, the international governing body announced here Tuesday.

The Spanish city, which hosted the 1992 Olympics, beat Long Beach in California and Montreal to get the event. The 2001 championships are in Fukuoka, Japan.

The 2002 6th World Short Course Championships will be in Moscow, the International Amateur Swimming Federation (FINA) announced at a press conference ahead of the fourth short course championships, which start in Hong Kong on Thursday.

Taipei had also been in the running for the 2002 event. The 2001 world short course championships will be in Athens.

The 2003 world swimming championships went to Barcelona after a vote by the FINA bureau — 20 members cast votes with one absentee. FINA President Mustapha Larfaoui elected not to vote.

"I offer congratulations to Barcelona and Moscow," Larfaoui said after announcing the bid winners. "But I have to say all the candidates presented bids of outstanding quality ... it made the final decision a very tough one," he added.

FINA honorary secretary Gunnar Werner — one of a three-member team that inspected the bid venues — declined to state how close the voting had been between the three venues.

"It was a secret ballot and I can't say any more than that. All I will say is that only one vote was needed," he told reporters following the press conference.

Werner said the FINA bureau cast its votes after hearing technical reports from himself and another FINA official, together with a representative of the swimming body's marketing company.

"We visited the venues and then drafted reports for the bureau members to study. They then took their votes," Werner said.

FINA is to hold an extraordinary congress here on Wednesday.

Lebanon's Hikma decline participation in West Asian Basketball Championship

By a Staff Reporter

AMMAN — Lebanese champions Al Hikma, favoured to win the upcoming 2nd West Asian Basketball Championship hosted by Al Orthodoxy Club, have announced that they would not take part in the April 12-17 event.

Al Hikma, Arab champions for the last two years with professional players on their line-up, cited that two of their starters were on the injured list and that the club has automatically qualified to the Asian Clubs Championship which is slated to start on May 22 in Beirut.

Syrian champions Al Wihda — who will be Al Orthodoxy's arch-rival in the six-day tournament — have not yet sent their confirmation.

According to Al Orthodoxy Club officials five teams have confirmed their participation: they are Iraq's

Air Force Club, the Palestinian National Authority national team, Baykan from Iran, Yemen's Al Mina' and Jordanian champions Al Orthodoxy Club.

The winning team will qualify to play in the Asian Clubs Championship.

The Jordan Basketball Federation had initially suggested enabling national team players to join the Al Orthodoxy's lineup as part of preparations for this summer's Pan-Arab Games. It was not yet clear how that set-up would be arranged.

The West Asian Championship was initiated with the formation of Asian Basketball Confederation's (ABC) West Asia Zone last year and four championships have been held so far. The women's, U-18 youth's tournaments and the 1st West Asian Championship in which five teams took part.

Al Riyadi of Lebanon won the title playing against Al Mina', Al Wihda, Iran's Zobohan and Jordan's former champions Al Jazireh who were hosts.

Following a meeting of the ABC West Asia Zone Federation last week, secretary general Hagop Khacharian said the champion club of Asia will participate, for the first time, in the McDonalds Championship held in Italy later this year.

He said the ABC reached an understanding with the International Basketball Federation — FIBA — to allow the Asian champion to take part in the annual event biennially.

The McDonalds Championship is considered one of the most important tournaments because the world's top teams usually compete including the NBA champion, two teams from Europe, one team from

South America and the best team from Oceania.

The Asian Clubs Championship will include 10 titleholding Asian teams: the top four from the last championship, one each from the ABC's five zones and the host nation.

The ABC's five zones are: the Middle East, East Asia, South West Asia, West Asia and the Gulf. Al Orthodoxy and Al Ahli previously took part in the Asian Clubs Championship with Al Ahli securing the best Jordanian showing with a fourth place finish in 1995.

Al Orthodoxy were Jordan's champions 1976-1989. Al Ahli won the title 1990, 1992-1994, while Al Orthodoxy came back to win in 1995 and 1996 lost it to Al Jazireh in 1997 and regained it the following year.

Djorkaeff facing sentimental showdown, Zidane out of match against Armenia

PARIS (AFP) — French World Cup star Youri Djorkaeff will face Armenia in Wednesday night's European Championship Group Four qualifier relieved that his father Jean will be roaring him on from the Stade de France grandstand.

Djorkaeff Sr., who played for France in the 1966 World Cup in England, last year accepted the job as coach to Armenia — only for politicians in the former Soviet republic to pressurise the country's football chiefs to appoint a coach from inside the country.

Jean's wife — Youri's mother — is Armenian and the French link does not end there. Djorkaeff's teammate Alain Boghossian is also from an Armenian family. The game has captured the imagination of the huge Armenian community in France, with the minnows eager to test their mettle against the world champions.

Thanks to the intransigence of the Armenian establishment, Jean will be able to cheer on his son without embarrassment rather than endure a nail-biting 90 minutes on the touchline.

With no professional involvement Djorkaeff senior will be spared what could have been an embarrassing situation if Armenia were to concede a penalty on Wednesday night — Youri is France's first-choice penalty taker.

The build-up to the game has been stressful for France coach Roger Lemerre, the man who had the unenviable task of taking over from World Cup-winning coach Aime Jacquet.

France are still unbeaten under Lemerre but on Saturday night had their closest shave yet under the leadership of the man who was promoted at the end of the World Cup after his boss Jacquet decided to quit at the top as a national hero.

Group leaders Ukraine were kicking themselves after failing to inflict the first defeat on France at the Stade de France. The match ended in a 0-0 draw.

The best chances of the night fell to Ukraine with Dynamo Kiev golden boy Andrei Shevchenko unusually profligate in front of goal — although France goalkeeper Fabien Barthez must take some credit for the goalless scoreline.

Lemerre's problems have been compounded by injuries.

World player-of-the-year Zinedine Zidane has been ruled out of the European championships qualifying match against Armenia on Wednesday.

The 27-year-old Juventus midfielder, who has been out of action for three weeks following a knee injury, also missed last Saturday's 0-0 group four qualifier with Ukraine in Stade de France.

French team doctor Jean-Marc Ferrer said that the decision was taken following Sunday's training session. "He still feels pain in his knee when he puts pressure on it. We decided not to take any risks."

Midfielder Emmanuel Petit is also doubtful with a thigh injury and could be replaced by his Arsenal team-mate Patrick Vieira.

Left-back Bixente Lizarazu has been ruled out for six weeks after injuring his knee in Saturday's match.

Peit's Arsenal teammate Vieira is standing by while either Boghossian or Christian Karembou will fill in for Lizarazu, who is out for six weeks.

France also saw their perennial Achilles heel — a lack of goals — return to haunt them against Ukraine. Nicolas Anelka looked to have solved the striking problem that has been the one vulnerability of Lemerre's —

and indeed Jacquet's — teams.

But Anelka, so lethal in the historic 2-0 win over England at Wembley, was isolated and crowded out by the Ukrainians with Christophe Dugary and Robert Pires, deployed just behind the Arsenal striker, both having disappointing game.

Deprived of Zidane's artistry, creative ideas were lacking up front and France's most potent-looking threat was veteran defender Laurent Blanc when he joined the attack for set pieces.

Lemerre added Monaco striker David Trezeguet to his squad after the youngster scored four goals in the Under-21 clash with Ukraine last Friday.

With Ukraine leading the group, France cannot afford any slip-ups against Armenia with Iceland level on points with the second-placed world champions.

France, still unbeaten since the World Cup opened at the same venue last season, have been less than convincing in the European qualifiers.

Their 3-2 win in Moscow against Russia is their only truly convincing performance so far while they had to settle for a 1-1 draw in Iceland and struggled to overturn minnows Andorra 2-0 at the Stade de France before their lucky escape against Ukraine.

Lemerre was certainly relieved to get away with a draw against Ukraine, saying: "This point was a good point. Ukraine had Shevchenko but we had Barthez."

Graf jumps to 5th while Serena rises to 11th

MIAMI (AFP) — Former World No. 1 Steffi Graf jumped ahead of Lipton champion Venus Williams while Serena Williams came within six points of cracking the top 10 in the new WTA Tour rankings released here on Monday.

Graf, who lost to Venus Williams in the semi-finals at Key Biscayne, rose two places to fifth, trading spots with Spain's Arantxa Sanchez Vicario to keep Venus stuck in sixth place despite her triumph.

Swiss World No. 1 Martina Hingis saw her lead over American Lindsay Davenport shrink from 140 points to 111 despite reaching the Key Biscayne semi-finals, where she was ousted by Serena Williams.

Serena reached a career-best 11th, rising five places, and finished only six points behind 10th-ranked Nathalie Tauziat of France.

1. Martina Hingis (Swi)	5421 pts
2. Lindsay Davenport (USA)	5310
3. Monica Seles (USA)	3919
4. Jana Novotna (Cze)	3766
5. Steffi Graf (Ger)	3079
6. Venus Williams (USA)	2989
7. Arantxa Sanchez Vicario (Spa)	2847
8. Mary Pierce (Fra)	2395
9. Amanda Coetzer (Rsa)	2183
10. Nathalie Tauziat (Fra)	2086
11. Serena Williams (USA)	2080
12. Sandrine Testud (Fra)	1994
13. Patty Schnyder (Swi)	1967
14. Amelie Mauresmo (Fra)	1872
15. Irina Spirlea (Rom)	1828
16. Dominique Van Roost (Bel)	1816
17. Natasha Zvereva (Blr)	1645
18. Conchita Martinez (Spa)	1642
19. Barbara Schett (Aut)	1567
20. Anna Kournikova (Rus)	1551

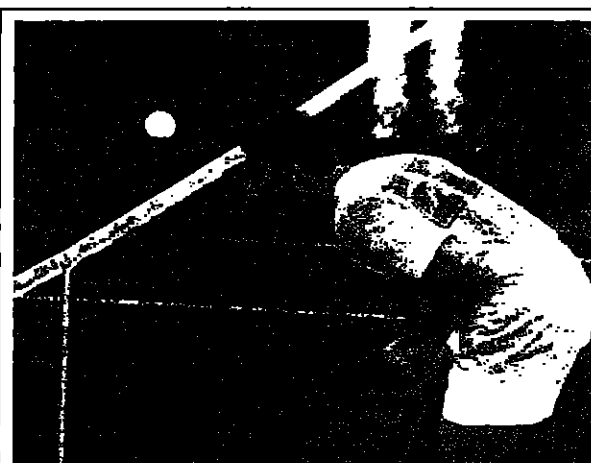
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Steffi Graf



Spain's Felix Mantilla, heads a tennis ball back over the net during a light moment in training at the Tennis Club of Lerida for the Davis Cup match against Brazil 2 April 1999 (AFP photo)

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## Britain, Ireland intensify N. Irish peace talks ahead of accord anniversary

BELFAST (R) — The British and Irish prime ministers intensified efforts to push Northern Ireland's peace deal over its final hurdle on Tuesday as one official said there was a "glimmer of hope."

"We've got to find a solution with the same sense of urgency that we brought to this agreement in the first place," Britain's Tony Blair said.

He and Ireland's Bertie Ahern spearheaded frantic talks aimed at breaking a stalemate over guerrilla disarmament and implementing the peace deal before its first anniversary on the upcoming Good Friday holiday.

A Northern Ireland office spokesman said a "glimmer of hope" could be seen but there had been no breakthrough.

"We will assess the situation as we go through the evening but at this stage there have been no developments," an aide to Protestant leader David Trimble said.

The British province's elected assembly is due to convene on Wednesday or Thursday to vote in a coalition cabinet led by Trimble and his Catholic Deputy Seamus Mallon.

But the process will fail unless Trimble and the Catholic nationalist Sinn Fein Party reach a compromise over the pace of Irish Republican Army (IRA) disarmament. And time is tight.

Britain has set this week as the deadline for the transfer of some home-rule powers to the

cabinet but Trimble refuses to sit with Sinn Fein until its IRA allies start disarming.

Some commentators have expressed hope the IRA will offer an olive branch in its traditional Easter statement this week.

Trimble's aide strenuously denied a report that the Protestant leader's Ulster Unionist Party would admit Sinn Fein to its two cabinet seats if disarmament began within weeks.

The two prime ministers met John de Chastelain, the Canadian general overseeing behind-the-scenes moves to disarm guerrillas, but officials stayed tight-lipped about the outcome.

The duration of the talks is unclear.

Blair missed question time in the House of Commons last Wednesday because of a European Union summit in Berlin, and his office said that while he did not intend to miss this week's session, he could still return to Belfast afterwards.

Ahern's delegation has booked accommodation at the Stormont government building until the end of the week, officials say, suggesting they are not necessarily anticipating a speedy resolution.

Northern Ireland left behind three decades of bombs and bullets with truces by the main Protestant and Catholic-backed groups in 1994 and 1997, but low-intensity violence continues.

Hard-liners made their pres-

ence felt on the fringes of the talks at Stormont, the seat of Northern Ireland's power which will take over some home-rule from London if the process works.

Anti-accord protesters harangued Blair and Ahern as they left for Hillsborough castle where talks reconvened after lunch.

Police moved in to pull back the group as they shouted "Appeasement!" to show their anger at the conditional early release of guerrilla prisoners, a keystone of the peace deal which is designed to keep paramilitary groups on ceasefire.

Two Roman Catholic Republicans scaled a hallowed Protestant icon to fly the Irish flag, infuriating firebrand Protestant politician-preacher Ian Paisley, a vocal opponent of the deal.

"Get it down," he shouted at police, affronted at the sight of the tricolour flying from the statue at Stormont of Lord Edward Carson, a Protestant founder of British rule.

"There are some of us who are not prepared to allow the tricolour to fly in Northern Ireland. We object to it and will continue to object to it," his colleague Peter Robinson said.

Their Democratic Unionist Party is the biggest opponent of last year's peace deal, fearing Britain's devolutionary policies under Blair are a step on the road to a united Ireland in which Protestants would be a four-to-one minority.



A SNOWY HOLIDAY OUTING: A Lebanese woman enjoys the snow at the Faraya ski resort, northeast of Beirut, on Tuesday, the last day of 'Eid Al Adha, or 'Feast of Sacrifice,' which marks the end of the annual pilgrimage, or Haj (AFP photo)

## Israel should implement Wye deal — U.S.

OCCUPIED JERUSALEM (R) — The United States called on Israel on Tuesday to meet its obligations under a stalled land-for-security agreement with the Palestinians rather than argue over who should move first to end the stalemate.

"The issue is not who goes first. Rather than focus on sequence, the government of Israel should focus on implementing their obligations," U.S. embassy spokesman Larry Schwartz told Reuters.

He was responding to Israeli newspaper reports that Washington accepted Israel's position it need not carry out an additional pullback in the West Bank under the U.S.-brokered deal until the Palestinian National Authority had adhered to all its obligations in the accord's second phase.

Under phase two, the Palestinians have fulfilled some of their commitments, particularly with respect to fighting terror. There are other commitments under phase two that they have yet to fulfill. The Israelis for their part have not fulfilled any of their commitments under phase two.

"If we had a serious process under way — one in which both sides were fulfilling their obligations — we would not be having this discussion," Schwartz said.

## 'Mordechai may consider quitting race for prime minister'

TEL AVIV (AP) — Yitzhak Mordechai, the new Centrist Party's candidate for prime minister, might eventually consider dropping out of the race to avoid splitting the vote against Prime Minister Benjamin Netanyahu, a party colleague said Tuesday.

Mordechai himself has vehemently denied any intention to abandon his bid to become prime minister.

But Dalia Rabin-Pelossof, a Centrist parliamentary candidate, told reporters she believes Mordechai might consider leaving the race if it appeared certain that Labour Party candidate Ehud Barak could beat Netanyahu.

Polls in Israeli newspapers suggest Barak is in a virtual tie with Netanyahu, with both running far ahead of Mordechai according to weekly polls in Israeli newspapers.

If no candidate receives 50 per cent of the vote on May 17, the top two finishers would face each other in a runoff two weeks later. Polls suggest Mordechai would do better against Netanyahu in a runoff, however.

Speaking to the Foreign Press Association, Rabin-Pelossof said her party still

hopes to persuade voters that if Mordechai can defeat Netanyahu, "he should be there for the second round." It appears now that Labour cannot win, she said, but "if Barak shows 100 per cent for sure that he wins, of course, the situation is different."

Rabin-Pelossof said her party and Labour do not have major ideological differences, but share the goal of replacing Netanyahu.

Mordechai has consistently and hotly rejected suggestions that he should drop out of the race and endorse Barak. He suggests that Barak quit and endorse him.

Rabin-Pelossof, daughter of slain Prime Minister Yitzhak Rabin, said Netanyahu's victory in 1996 was "almost as traumatic" as the assassination of her father in 1995 by an Israeli extremist opponent of his peace policies with the Palestinians.

Rabin-Pelossof said she herself would never sit in the same cabinet as Netanyahu, but did not rule out the possibility of the Centrists joining the government of Netanyahu's Likud if he were to win.

## Israeli found guilty of planning profanation of Al Aqsa

OCCUPIED JERUSALEM (AFP) — A Jewish immigrant from the former Soviet Union was found guilty Tuesday of planning to desecrate the holiest Islamic site in Jerusalem, by throwing a pig's head onto the premises.

Danyan Pakovitch and an accomplice "intended to create

tensions between Jews and Arabs by committing serious provocations," during the month of Ramadan in 1998, the court in Jerusalem said.

He had planned to throw the head into the compound housing the Al Aqsa Mosque and the Dome of the Rock, the site from which Muslims believe the

Prophet Mohammad made his night journey to heaven. Pakovitch was also found guilty of having placed a pig's head on the tomb of the Palestinian resistance fighter Izzeddin Al Qassam in the northern Israeli town of Haifa 18 months ago.

Qassam led the fight against the British and the Zionists in the period before the 1948 establishment of the state of Israel. The court further convicted Pakovitch of having set fire to the premises of an organisation of peace activists.

## Pilgrims start leaving Saudi Arabia after Haj

MECCA (R) — Tens of thousands of Muslim pilgrims started leaving Saudi Arabia on Tuesday after the annual Haj pilgrimage ended.

Saudi authorities had issued instructions to travel agencies to start ferrying pilgrims home from Monday. Pilgrims who had not yet visited the Holy City of Medina, the site of the Prophet Mohammad's tomb, were given 11 days to leave.

Saudi Arabia said 1.7 million pilgrims performed Haj this year, about one million of them

coming from abroad. The remainder were either Saudi citizens or foreign residents in Saudi Arabia.

"I am leaving for home, I miss my family," Waheeb Abdul Kaddus, a 32-year-old Pakistani, said after completing the pilgrimage.

"I have performed Haj and plan on returning to Saudi Arabia more frequently for the ritual," he added.

As the waves of pilgrims started leaving, Saudi authorities were expected to begin

what has become the regular task of seeking out and sending home those who try to stay on after the pilgrimage, to look for work or beg in the oil-rich kingdom.

The English-language Arab News said on Tuesday that Saudi authorities planned a campaign against illegal residents from April 1, although it did not specifically mention those who had stayed on after Haj.

It said more than 750,000 illegal residents had been deported

from the kingdom since July 1997, adding that another 485,000 managed to legalise their residency status.

Residents said police roadblocks and surprise raids become common in Saudi Arabia after the end of Haj each year.

"I was given a telephone number in Saudi Arabia to call if I needed a job," said one pilgrim from Bangladesh. The kingdom employs hundreds of thousands of mainly Asian workers.

Saudi authorities also clamp down on street beggars, who according to witnesses included many African children this year.

On Monday, Saudi Arabia declared this year's Haj pilgrimage safe, clean and free of outbreaks of disease or serious accidents.

Saudi media said the only accident this year was a small fire that gutted about 40 makeshift tents on Mena plain and injured 12 people on Saturday night.

## Kosovo confronts Clinton with biggest foreign policy crisis

By Gretchen Cook  
Agence France Presse

WASHINGTON — Tiny Kosovo is confronting U.S. President Bill Clinton with a mammoth foreign policy crisis, challenging his post-impeachment credibility, resolve and leadership.

A stern-looking Clinton returned on Monday from a brief respite at the Camp David presidential retreat and headed

immediately into a briefing on the NATO air campaign by his national security team.

But there was not much good news to report.

Nearly a week of allied assaults on Serb targets has failed to budge Yugoslav President Slobodan Milosevic, and U.S. officials are now expressing "alarm" at the Serbs' massive retaliation against the Kosovars.

And though a downed U.S. pilot was spectacularly rescued, the incident was a painful reminder for Clinton that he has embarked on a mission that could prove far deadlier than Somalia, Haiti, Bosnia or Iraq.

Cracks have also emerged in the NATO alliance, and the risky operation has pushed U.S. relations with Russia to one of the lowest points in the post-Cold War era.

Republican lawmakers too are stepping up attacks on Clinton for embroiling the country in an internal foreign conflict, refusing to lay out an "exit strategy" and failing to acknowledge ground forces may be necessary to finish the job.

Clinton has put on a confident public face, but the White House is clearly frustrated with the way things are playing out so far.

"Just because some people thought maybe [Milosevic] would cave in after a day or two — we can't be held responsible for that. You have to be fair on

how you judge us. It's getting ridiculous," an official said on condition of anonymity.

There are indications too that Clinton's sex scandal continues to damage his credibility.

Secretary of State Madeleine Albright bristled when asked whether the president was again using the same kind of linguistic hair-splitting made famous by his sex scandal when he said he has "no intention" of using ground troops.

"All I can tell you is the words," she said when asked on CBS television on Sunday what "no intention" actually means.

"He will not send ground — he says he has no intention," she stumbled along.

"He is the commander-in-chief and when he speaks, he should be respected," Albright admonished the interviewer.

The exchange underscores continued fallout from the humiliating Monica Lewinsky scandal, in which Clinton denied the affair by using a narrow definition of sex.

Many of the pro-Serb demonstrators picketing the White House in recent days are also bearing signs referring to the scandal.

And though Republicans deny they are seeking revenge for their impeachment defeat, they initially opposed U.S. involvement in the conflict and are now challenging Clinton's claim that ground troops will not be neces-

sary to finish the job.

"We must win this conflict with whatever it takes," Republican Senator and presidential hopeful John McCain told ABC television on Sunday.

He said Clinton had "very poorly handled" Kosovo and opposed U.S. involvement, adding however: "Now that we are here, and we have said that we are going to not allow him [Milosevic] to succeed, then I would argue that our national interests are at stake at this moment."

But Clinton, who heavily relies on polls, is faced with surveys showing fewer than half of Americans would support sending U.S. ground troops to Yugoslavia.

"This is the largest foreign policy crisis of this administration [but] the preparation of the public and Congress has been inadequate," explained Richard Haass, head of the Brookings Institution think tank.

In the run-up to the NATO campaign, Clinton had bowed to congressional demands to make a strong public case for the action, going on national television to outline his motivations and goals.

But the justifications have moved from fears of a third world war to the urgency of the humanitarian crisis.

"It's convenient for the administration. They needed something," Doug Bandow with the

conservative Cato Institute said of the humanitarian crisis in Kosovo.

Clinton has also changed the emphasis on his objectives.

In laying out his case last week, the president stressed that the Serbs had rejected the Rambouillet peace deal the Kosovars had accepted, indicating Belgrade must be bombed back to the bargaining table.

Since then, however, the approved administration language has moved away from the signing of the peace agreement to "degrading" Milosevic's ability to wage war against the Kosovars.

Balkans specialist Ivo Daalder said the United States had underestimated Milosevic's resolve.

"We miscalculated. We did not look at what makes Milosevic tick, which is to remain in power," he said.

But the White House official said the Clinton administration was confident all was going as planned.

"I don't think anyone is surprised that [Milosevic] moved forward on the offensive he has been planning for months," he said, adding that NATO's move into a more intensive second phase was also on course.

"[Clinton] has said this is not a 30-second commercial and we have to be steady as we go," he added.



Judge voids law against vibrators

HUNTSVILLE (R) — A federal judge has struck down an Alabama law that banned the sale of vibrators, saying the state had failed to prove the devices were obscene. "A majority, or at least a significant minority, of the prescribed devices, as a matter of law, are not obscene under any established definition of obscenity," U.S. District Judge Lynwood Smith wrote in an 84-page opinion. A law enacted by the Alabama legislature last year included an anti-obscenity statute that banned the sale of items designed to enhance sexual pleasure, including vibrators and certain kinds of condoms. It also outlawed strip clubs. Monday's ruling came in a lawsuit filed against the state by six women who either sold vibrators or testified that the devices and other sex toys covered by the ruling gave them sexual pleasure they could not otherwise achieve.

## Man rescued from Alps flagpole

ZURICH (R) — A helicopter rescued a Swiss man stranded atop a flagpole. Alpine rescue service Rega said. Rega, better known for saving stranded mountaineers in the Alps, flew in to pluck the man from the 135-foot pole in the town of Oensingen in the northern canton of Solothurn. The man, "an experienced Alpinist" according to Rega, was sent up the pole to make repairs and got stuck after rain made the descent too dangerous. His position was complicated by the pole's location on top of a castle. The man was finally flown safe but chilled to a nearby hospital.

## Dial 'X' for sex in brothel-on-wheels

VIENNA (R) — Feeling frisky in Vienna? Call Erotik Taxi. The mobile brothel sends out a black stretch Cadillac for \$250 an hour complete with chauffeur, call-girl or boy, drinks, hard-core porn videos and condoms. Mileage is unlimited but the route is of little importance to passengers who show scant interest in a scenic spin around Vienna's imperial sights. "They're busy making out on route, they haven't got time to take in the sights," said the manager of Vienna Erotik Taxi and the Sweet Dreams escort and modelling agency, who asked to be identified only as Albert. "People come to us because we offer a thrilling alternative to sex at home or in a hotel," he said. Most of the clients are businessmen, who use the service to pick them up at the airport or ferry them around the city between appointments.

## Basketball star finds assault 'no problem'

ATHENS (AP) — Not everyone can beat up the boss's son and keep their job. But when you're a star player such as Lefteri Soubotic, on the head after beating archrival Olympiakos 59-56, Radja chased and punched Dimitris Yannakopoulos, 24, not knowing he was the president's son. Yannakopoulos, who was not injured, said he was angry when Panathinaikos failed to take first place in the regular season standings. Panathinaikos is willing to overlook the incident. "What problem? There is no problem. He regretted it," said Yiannis Metissis, a team spokesman.

## Jordan Press Association (JPA) announces the following:

The JPA Council is calling the General Assembly for an annual meeting on Friday, April 23, 1999, at 10 a.m. at the Amman Chamber of Industry in Jebel Amman. In the event that if no quorum is convened on that date, the council will call for another meeting on Friday, April 30, 1999, at the same time and venue.

### The agenda includes:

- the endorsement of final accounts and approval of the new year's budget;
- a debate on the council's administrative, financial and professional reports;
- the presentation of the internal draft law for the association and the housing scheme prepared by the council's members to be submitted to the concerned authorities;
- the election of the association president and council members;

Only General Assembly members whose fees are paid in full at least seven days before the date of the meeting can participate in the elections. Nominations for the post of president and council membership will be accepted 15 days before the election day and will be closed three days before the set date. The names of candidates will appear on the board at the JPA headquarters after the three-day nomination period.

JPA President Seif Sharif